BOSTON PUBLIC LIBRARY
3 9999 06317 349 4

OFFICE OF NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

REPORT OF THE COMMITTEE ON THE ECONOMIC AND SOCIAL IMPLICATIONS OF THE COMPANY STORE AND SCRIP SYSTEM

By

Charles B. Fowler
Chairman
Daniel Bloomfield
Henry P. Dutton

WORK MATERIALS NO. 4

March, 1936

OFFICE OF NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

REPORT OF THE COMMITTEE ON THE ECONOMIC AND SOCIAL IMPLICATIONS OF THE COMPANY STORE AND SCRIP SYSTEM

By

Charles B. Fowler
Chairman
Daniel Bloomfield
Henry P. Dutton

March, 1936.

16224

F O R E W O R D

This report of the Committee on The Economic and Social Implications of the Company Store and Scrip System made pursuant to Article IX, Section 4, of the Code of Fair Competition for the Retail Trade was prepared by Messrs. Charles B. Fowler, Chairman, Daniel Bloomfield and Henry P. Dutton.

The report was made in October 1934 and was released at that time. A revised edition (with minor changes) was released November 1934 and it is here reproduced in order that it may be made widely available to students in the labor field.

At the back of this report will be found a brief statement of the studies undertaken by the Division of Review.

L. C. Marshall,
Director, Division of Review.

March 10, 1936.

16224

Washington, D. C.
October 23, 1934

Mr. Leon Henderson, Director
Division of Research and Planning
National Recovery Administration

Dear Mr. Henderson:

The Committee takes pleasure in submitting to you its report on the economic and social implications of Company Store and Scrip System. This investigation has been undertaken pursuant to Article IX, Section 4 of the Code of Fair Competition for the Retail Trade as approved on October 21, 1933. This section reads as follows:

> "Company Scrip - The following provisions of this Section shall not become effective until March 1, 1934. Pending such effective date the Administrator shall appoint a Committee of not more than three persons to investigate the economic and social implications of these provisions. Said Committee may make recommendations, based upon its investigations, and such recommendations shall, upon approval of the President of the United States, become effective in the place of these provisions:
>
> "(a) No retailer shall accept as payment for merchandise any non-negotiable scrip, company checks, or other evidence of wage payment issued by any individual or private profit organization in payment of wages or as an advance upon unearned wages. A negotiable instrument issued by any individual or private profit organization in payment of wages shall be accepted only if it is payable in cash within one month of the date of issue. The paragraph shall not apply in cases where the cash funds of any individual or organization are rendered temporarily unavailable due to the closing by state or federal order of the bank in which such funds are deposited.
>
> "(b) No retailer shall extend credit in the form of goods, money, or services to any person other than its own employees engaged exclusively in the retail trade, upon any employer's guarantee of part or all of said person's future wages, or pursuant to a wage-deduction arrangement entered into with said employer, unless an identical guarantee of wage-deduction arrangement is available to all retailers.

Section 4 as originally formulated contained only sub-sections (a) and (b) but upon the objection of certain interested parties, the application of this section was stayed until March 1, 1934, pending the recommendations of a Committee which in the interim would investigate the economic and social implications of these provisions.

The Committee was appointed on March 16 and its budget was approved on June 23, 1934.

The Committee excluded from its investigations plantation stores, government commissaries and such non-profit organizations as self-help barter exchanges and scrip issued by financially distressed municipalities. It limited its study to Company Stores found in the mining, quarrying, lumbering, railroading and manufacturing industries. Of these the greatest amount of attention was devoted to the Company Stores of the coal, textile, steel and lumber industries.

Respectfully yours,

C. B. Fowler

H. P. Dutton

Daniel Bloomfield

TABLE OF CONTENTS

	Page
Recommendations	1
Introduction	3
Conclusions	5
Summary of Arguments For and Against the Credit Practices of Company Scrip	7
Origin of Company Store and Its Economic Setting	14
Previous Investigations of the Company Store in the United States	18
Legislation of the Company Store - Foreign Countries	45
Company Store Activity as Revealed by Field Investigation	58
Analysis of Questionnaire	76
Statistical Appendix	100
List of Exhibits	101

List of Tables

Table		Page
I	COMPARISON OF RETAIL PRICES OF FOOD IN COMPANY STORES AND IN NEIGHBORING INDEPENDENT STORES	66
II	DISTRIBUTION OF 961 COMPANY STORES BY INDUSTRY AND BY STATE, 1934	78
III	PERCENTAGE DISTRIBUTION OF 961 COMPANY STORES BY TYPES OF STORES CLASSIFIED BY INDUSTRY, 1934	80
IV	PERCENTAGE DISTRIBUTION OF 951 COMPANY STORES BY SPECIFIED DISTANCES FROM INDEPENDENT STORES, 1934	82
V	PERCENTAGE DISTRIBUTION OF 926 COMPANY STORES ACCORDING TO SALES MADE TO COMPANY EMPLOYEES AS PERCENTAGE OF TOTAL ALL SALES IN 1933	84
VI	PERCENTAGE DISTRIBUTION OF 954 COMPANY STORES WITH SPECIFIED PERCENTAGE OF CASH SALES TO TOTAL OF ALL SALES, 1933	85
VII	PERCENTAGE DISTRIBUTION OF 917 COMPANY STORES WITH SPECIFIED PERCENTAGE OF INSTALLMENT SALES TO TOTAL OF ALL SALES, 1933	86
VIII	PERCENTAGE OF NON-SCRIP-USING COMPANY STORES USING CHARGE ACCOUNTS TO ALL REPORTING COMPANY STORES	90
IX	PERCENTAGE DISTRIBUTION BY INDUSTRY OF 214 NON-SCRIP-USING COMPANY STORES USING CHARGE ACCOUNTS, 1933	90
X	PERCENTAGE OF ANNUAL SALES TO COMPANY EMPLOYEES BY 812 COMPANY STORES TO TOTAL ANNUAL PAYROLL OF PARENT COMPANIES IN 1933, CLASSIFIED BY INDUSTRY AND STATE	91
XI	PERCENTAGE OF THE NUMBER OF COMPANY STORES HAVING ACCESS TO RECORDS OF COMPANY EMPLOYEES' EARNINGS TO ALL REPORTING COMPANY STORES, CLASSIFIED BY INDUSTRY, 1934	93
XII	RATIO OF LOSSES ON BAD ACCOUNTS PLUS EMPLOYEE RELIEF TO TOTAL SALES OF COMPANY STORES IN 1931, 1932 and 1933 AND THE FIRST SIX MONTHS OF 1934	95
XIII	PERCENTAGE OF THE NUMBER OF COMPANY STORES NOT SUPPLYING CUSTOMERS WITH ANY RECORD OF PURCHASE TO TOTAL NUMBER OF REPORTING COMPANY STORES, 1934	97
XIV	PERCENTAGE OF THE NUMBER OF STORES ISSUING SCRIP ON PAY DAYS TO TOTAL NUMBER OF REPORTING COMPANY STORES, 1934	98
XV	PERCENTAGE DISTRIBUTION OF THE 951 COMPANY STORES BY THE LENGTH OF THE PAY PERIOD, CLASSIFIED BY INDUSTRY, 1934	99

List of Tables (Cont'd.)

Table — Page

XVI — PERCENTAGE DISTRIBUTION OF 936 COMPANY STORES ACCORDING TO THE LENGTH OF PERIOD FOR WHICH WAGES ARE WITHHELD AFTER THE CLOSE OF THE REGULAR PAY PERIOD, CLASSIFIED BY INDUSTRY, 1934 — 99

FOOD PRICES IN COMPANY STORES AND INDEPENDENT STORES COMPILED BY FIELD INVESTIGATORS

Table		Page
1	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Birmingham District	100
2	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in Eastern Kentucky	101
3	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the South Carolina District #1	102
4	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the South Carolina District #2	103
5	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Eastern Tennessee District	104
6	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Western Virginia District	105
7	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Fairmount District in West Virginia	106
8	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Southern West Virginia and Pike County, Kentucky District	107
9	Comparison of Retail Prices of Foods in Company Stores and Independent Stores in the Mingo District in West Virginia	108

COMPANY STORE STATISTICS COMPILED FROM QUESTIONNAIRE

10	Number of Reporting Company Stores, Ownership of Stores, Number of Employees in Company Stores and Parent Companies - Amount of Sales to Employees of Parent Companies and Total Annual Payroll of Parent Company, Classified by Industries and States	109
11	Number of Reporting Company Stores, Classified According to Distance from the Nearest Competitors and by Industries and States, 1934	110
12	Number of Reporting Company Stores, Classified According to Percentage of Sales Made to Employee to Total Sales and by Industries and States, 1934	111
13	Number of Reporting Company Stores, Classified According to Percentage of Sales Made on Installment or Lease Plan to Total Sales and by Industries and States, 1934	112

14 - Number of Reporting Company Stores, Classified by Industries and States, According as to Whether or Not They Use Scrip on or Between Pay Days, Make Charge Accounts, Have Access to Record of Employees' Earnings and Supply Employees with Records of Purchases ---------- 113

15 - Number of Reporting Company Stores, Classified According to the Percentage of Cash Sales to Total Sales and by Industries and States, 1934 ---------- 114

16 - Amount of Bad Debts and Employee Relief and Total Sales of Company Stores, Classified by Industries and States, Annually 1931-1933, Semi-Annually, 1934 ---------- 115

17 - Number of Reporting Company Stores, Classified By Industries and States According to the Length of Pay Period of Parent Companies and the Number of Days for Which Wages are Withheld by the Parent Companies After the Regular Pay Period, 1934 ---------- 116

QUESTIONNAIRE FORM ---------- 117

THE ECONOMIC AND SOCIAL IMPLICATIONS OF THE COMPANY STORE AND SCRIP SYSTEM

Recommendations

The Committee on Company Scrip makes the two following groups of recommendations. The first group relates specifically to Article IX, Section 4 of the Code of Fair Competition for the Retail Trade as approved on October 21, 1933. The second group is supplementary in character, designed to carry out the spirit of the first group and to indicate some considerations involved in correcting some of the evils which now exist in connection with the company store and scrip system.

I

(1) The Committee recommends the elimination of Article IX Section 4 of the Code of Fair Competition for the Retail Trade.

(2) The Committee recommends that the following provisions be made a part of the code in place of the eliminated section.

> No company store or retail store shall collect by offset in the form of scrip, book credit or otherwise, against the wages of any person other than its own employees engaged exclusively in the retail trade, an amount for merchandise sold by said store in excess of 25 per cent of such pay earned in any pay period. 1/
>
> No store shall purchase or receive or accept for cash or consideration in trade or in payment of indebtedness any scrip at less than its par or face value.

1/ The Committee is aware of the fact that an immediate application of this provision might interfere with some of the existing collective wage agreements and the Committee feels that this fact should be taken into considerations by the Administration. A possible solution of this difficulty would be to exempt such existing agreements from this provision.

Presumably the above recommendations will apply to other codes which contain provisions similar to Article IX, Section 4 of the Retail Code. 2/

II

The Committee's consideration of the economic and social implications of the company store and scrip system indicates that the effective correction of such evils as exist cannot be fully achieved under the Retail Code. It therefore suggests for the consideration of the Administration the following additional recommendations.

(1) The Committee recommends that regulations be designed to insure that the worker receive a reasonable portion of his wages in cash on each pay day.

(2) The Committee recommends that, as soon as may be practicable, regulations be designed to limit the pay period to one week and to limit pay hold-backs to a maximum of one week

(3) The Committee recommends that regulations be designed to prohibit any employer of labor from requiring an employee to trade at the company store.

(4) The Committee recommends that regulations be designed to prohibit the payment of wages due in any form other than lawful money or par checks.

2/ For instance, Article IX, Section 3 of the Code of Fair Competition for the Retail Food and Grocery Trade and Article VIII, Section 4 of the Code of Fair Competition for the Jewelry Trade.

Introduction

The distinguishing feature of the company store is its exclusive right of collecting the money owed to it by its customers by deducting such obligations from the payroll of the so-called "operating" company. The company store may be a department of the operating company, it may be a subsidiary or it may be an independent store which has made a wage deduction agreement with the operating company.

The following is a brief summary of the usual credit practices of the company store:

A worker who desires credit from the company store will make an application to the bookkeeper or store manager. Such advances are usually made only against wages already earned by the employee but not due him until the next pay day. The store representative usually ascertains from the operating company the amount of unassigned wages against which credit may be issued. During periods of temporary unemployment, or in case of individual emergency such as illness in the family, credit is sometimes given against future or unearned wages. Advances of this character may be made either by the store or by the operating company.

After the amount of the advance is settled and the employee has made an assignment of his wages he is given the advance in the form of a book of coupons, a card with amounts to be punched out, metal tokens or in the form of book credit. Commonly this scrip is redeemable only in merchandise, although in some cases it may be redeemed in cash if presented at some future date by the original holder.

In the attempt to appraise the merits of the case, the Committee held formal public hearings in Birmingham, Alabama on July 2, 1934 and informal hearings in Pittsburgh, Pennsylvania on April 28 and 29, 1934, and in Washington, D. C. on August 27, September 14 and 28, and October 13 and 20, 1934. Each member of the Committee has personally visited and investigated one or more of the regions affected and a field investigator has gathered further data. Investigators have also analyzed the reports of previous investigations and of legislation by various states and by foreign countries. Some 22 formal briefs, 19 petitions, 1,575 questionnaires, many affidavits and over 150 letters have been received and considered and many interviews have been had with independent and company storekeepers, employers, labor representatives, social workers, business men and others.

Conclusions

As a result of its study, the Committee has come to the conclusions which are summarized as follows:

(1) Most of the complaints now voiced by the critics of the company store system in this country are of long standing, dating back at least 75 years.

(2) The inclusion of Article IX, Section 4 in the Code for the Retail Trade and the identical provision in other codes, recognizes the interest of the independent merchant in a matter formerly regarded as chiefly the concern of employer and employee. This inclusion was at the instance of a group of merchants in Birmingham, Alabama. Outside of this group, the Committee found little evidence of an organized or a widespread protest on the part of independent retailers.

(3) Geographical isolation, which was an influencing factor in the original establishment of the company store, is no longer an important consideration, except in a few cases.

(4) The Committee found but few cases of direct and indirect pressure being exerted on the employees to trade at the company store.

(5) The economic status of many employees forces them to seek credit. The extension of credit by the employer under a charge over payroll arrangement, obliges these employees to patronize the company store.

(6) The widespread practice of holding back the employee's wage for one pay period, varying generally from one to two weeks, renders it difficult for the employee to get out of debt and to be on a cash basis.

(7) In the typical case 90 to 100 per cent of the company store business is done with the employees of the operating company, and 90 to 95 per cent of this business is done on some form of credit.

(8) Company stores sell goods and render services equal in quality compared to those offered by the independent stores.

(9) Food prices in the company store are on the average from 2.1 per cent to 10.4 per cent higher than similar prices in neighboring independent stores.

(10) Company stores generally have an advantage in location over their nearby competitors.

(11) The emergency relief extended by the company stores is conventionally in the form of credit advances. The losses from bad accounts thus or otherwise accumulated by the company stores have amounted on the average to 1.1 per cent of the total sales of the stores during the past 3½ years.

(12) The practice of the company store of discounting its own scrip for cash is no longer a common practice.

(13) The practice of discounting scrip for cash by merchants and other members of the community is widespread. The rate of discount varies from 10 to 30 per cent.

Summary of Arguments For and Against the Credit Practices of Company Scrip

The arguments advanced against the present credit system of the company store are as follows:

(1) Employees who do not patronize the company stores are discriminated against or threatened with such discrimination in connection with assignment of work, lay-offs and discharge.

(2) Prices in company stores are higher than prices in independent stores and by this means the employer reduces the real wage to the employee.

(3) In cases where direct pressure is not exerted to force the employee to trade at the company store, the necessary assignment of the employee's wages and the lack of cash makes it impossible for him to secure credit elsewhere. Thus the employee is deprived of an opportunity to trade with other stores in which prices are lower.

(4) In some cases the employer deliberately endeavors to keep the employee in debt to the company store by such means as maintaining a larger labor force than is necessary and by limiting the amount of work assigned to each employee. Such practices keep the income of the worker so low that he must seek credit at the company store.

(5) The exclusive privilege of collection over payroll gives the company store a monopolistic and unfair advantage over the independent store.

(6) Company store practices tend to cause the worker to remain improvident, and shift the responsibility of budgeting the family income from the housewife to the store manager.

(7) The company store fosters a system of economic peonage which is in conflict with the ideals of a free people.

The arguments advanced in favor of the credit system of the company store are as follows:

(1) Many of the abuses which may have existed in the past no longer exist, or are found only in rare instances.

(2) Because of risks involved, independent merchants cannot afford to extend credit to the workers in adequate amount. Company stores can make credit advances practically without risk of loss, since most of the advances are secured by assignment of earned wages.

(3) The security of the wage assignment enables the employer without undue risk or loss, to make advances to employees during periods of illness or unemployment or other emergencies and thus prevents such employees from becoming public charges.

(4) Many employees are improvident. The system by which they hypothecate their wages in return for food and necessities, protects the employee and his family from extravagance, loan sharks, credit and installment peddlers and others who might otherwise exploit him.

(5) The credit system aids the employee to budget his own expenses.

(6) Scrip is a convenience for the employees. It simplifies bookkeeping and avoids disputes.

(7) The company store protects employees from exorbitant charges which in remote communities might otherwise be imposed upon him by independent merchants of the less responsible type.

(8) The use of scrip is a custom of long standing to which the employee has become habituated and to which he has adjusted his economic habits. Depriving him of this customary recourse would work widespread hardship and create general resentment.

(9) The profits of the company store enable the employer to pay better wages.

(10) The company store frequently was started from a service motive by employers in remote communities dealing with employees unaccustomed to industrial life. Many of the stores are operated from the service motive at nominal profits; a few stores even return all profits to employee customers.

(11) The company store makes a practice of buying from local producers and encouraging farmers and local industries.

(12) The credit system reduces the risk of robbery or burglary by reducing the necessity for carrying large amounts of cash in the store or office.

In addition to the general questions as to the effect of the charge over payroll credit system, it was necessary for the Committee to consider specifically the effect of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade. Paragraph (a) of this section provides that no retailer shall accept as payment for merchandise any non-negotiable scrip or scrip payable in cash within one month of date of issue regardless of who presents it for redemption.

Arguments advanced in favor of the retention and enforcement of this provision are as follows:

(1) Non-negotiable scrip, as issued at the present time, has the effect of forcing the employee to trade at the company store.

(2) Scrip which may be accepted by any merchant would enable the employee to trade to his best advantage.

(3) Negotiable scrip would destroy the monopoly position of the company store and promote fair competition.

(4) Negotiable scrip, since it has wide acceptability, would eliminate the discounting abuse common with non-negotiable scrip.

(5) The effect of paragraph (a) would be to abolish the use of scrip.

The arguments advanced against the retention of paragraph (a) of Section 4 are as follows:

(1) The laws of several states prohibits the issuance of negotiable scrip and to permit negotiability these laws would have to be changed.

(2) One of the most common difficulties in the use of scrip arises from its being discounted by the employees among themselves, by independent merchants and others. The requirement of negotiability would tend to intensify this evil.

(3) The employer or store may refuse to redeem non-negotiable scrip, except from the original holder. Were scrip made negotiable, and its redemption in cash on presentation within one month of date of issue required,

(a) The store would lose any present control over the counterfeiting of scrip.

(b) The scrip would in effect become the "money" of many communities. The laws of some states prohibit the issuance of paper of this character and the replacement of currency by such local media is undesirable.

(c) The employer would in effect be required to finance the credit extended by independent merchants.

(d) A large investment in present scrip, tokens, bookkeeping systems and the like, would be rendered valueless and many businesses relying upon the customary use of scrip would be injured or destroyed.

Paragraph (b) of Article IX, Section 4 of the Code provides that if the company store avails itself of the privilege of deducting money owed to it from the payroll of the operating company, then all other retailers must be permitted to make similar deductions from the payroll.

Arguments advanced in favor of the retention of this provision in the code are as follows:

(1) If all stores were permitted the same opportunity to make deductions against the payroll, the employee would have an opportunity of trading at stores other than the company stores. Competition would be encouraged, the independent store and employee would both be benefitted.

(2) The necessity of opening the privilege of collection over payroll to outsiders if used by the company store itself would deter the company store from continuing the practice and in this way increase competition and benefit the employee.

(3) The extension of the privilege of collection over payroll to outsiders, or the restriction of the practice by making it unprofitable for the company store to continue such practice, would result in the employee establishing outside contacts and credits to his advantage.

The arguments against the inclusion of this provision in the code are as follows:

(1) Payment in script of wages is already forbidden in such codes as that for the Coal Industry and by the laws of several states; the practice is uncommon at present.

(2) Advances against earned or unearned wages are made voluntarily by the employer at the request of the employee. If conditions were attached to making such advances which the employer regarded as unfair or contrary to his interest he could and would refuse to make such advances. The effect would be to force the employee to resort to expensive and injurious sources of credit.

(3) It would be impracticable to extend the privilege of offset against payroll to an indefinite number of merchants. The employee, frequently an illiterate or inexperienced person, would assign his wages indiscriminately and both he and the employer would be involved in garnishee suits and other difficulties. The employer would have to have available, at all times, funds sufficient to meet an unascertainable demand for redemption, and large enough to invite hold-up or theft.

Finally, it is asserted with regard to both paragraph (a) and (b) that, regardless of the merits of the controversy, a change at the present time and by the proposed regulations is inadvisable for the following reasons:

(1) If abuses exist in the present practices of the company store, they should be corrected through the codes of the operating industries concerned, rather than by indirection through the Retail Codes.

(2) The extension of the National Industrial Recovery Act, beyond its present expiring date, is not a foregone conclusion. Extensive changes and dislocations which may not prove permanent should not be forced on industry.

(3) Such attempts to regulate the company store will tend to decrease employment of the company store workers without a correspondent increase in the number employed by independent retailers.

(4) At a period in which, after much costly dispute and difficult negotiation, working agreements have been reached between employer and employee groups, only the weightiest considerations of public benefit could justify the risk of a new disturbance of relations between these groups.

(5) It is a serious responsibility to initiate changes in social policy, the effects of which cannot be determined, and which entail a serious and unescapable cost to e stablished industries.

Origin of Company Store and its Economic Setting

The history of company stores or industrial commissaries in this country is intimately linked with the history of our extractive industries and the development of the railroads and of the southern textile industry.

Although the centers of population moved rapidly westward during the century preceding 1930, nevertheless vast sections of the country were left with a sparse population and more or less isolated from thickly settled regions. Many of our richest mineral resources were found in these isolated and often mountainous regions, and they could be developed only by business men willing to furnish labor with houses and necessary provisions.

The oldest bituminous coal fields in this country developed during the last two decades of the nineteenth century are in the central competitive field which embraces western Pennsylvania, and the states of Ohio, Indiana, and Illinois. Many of the early mines in these states were located in what at that time were remote regions, just as they are in some of the newer fields today. This necessitated the construction of company communities in which the coal corporation built the houses for the miners, set up company stores, and provided all of the other necessary services for the working population. Conditions in the older coal mining fields were notably poor before 1898.

In the decade that followed 1900, however, many changes took place in the older bituminous coal fields. Labor relations

were placed on a union basis, settlements in and around the coal "patches" grew in size, company houses, company stores, and company-controlled communities in general disappeared. Mining towns and hamlets became integrated in many respects with the surrounding communities.

During the first two decades of the twentieth century new bituminous coal fields were developed in the great crescent lying around the Eastern, Southern, and Western boundries of the older fields. The states of Maryland, West Virginia, Virginia, Kentucky, Tennessee, Alabama, Arkansas, and Colorado contain rich coal deposits in their more mountainous sections. The early development of the coal industry in these states has paralleled the early development in the older states with two chief differences. First, the new coal regions are more mountainous and isolated from large settlements than was the case in the older fields. Second, many large industrial corporations opened up "captive" mines in the new regions and built company towns on a greater scale than formerly.

Labor relations in the newer coal fields were until recently maintained on a non-union basis. The coal companies usually furnished all of the services needed by the community including company stores, and often held absolute control over both its mining operation and the community. The company store problem is centered in these regions and in many cases still persist because of the isolation of the community and for other reasons. The isolation argument in the newer fields is becoming less valid as the coal "patches" are rapidly integrating their services with the services of larger communities near by.

The lumber industry is widely scattered, and much of it is located in remote sections of the country far removed from the main lines of traffic. Saw milling and logging operations extend all the way from Maine to Washington, and from the gulf states to the lakes. Company-controlled communities are common, with the company store as the center of the community.

Labor relations have caused much trouble in the great logging camps of the South and Northwest. Commissaries have been one of the points of friction in that labor often resented the idea of being forced to trade at the company store. Because of the very nature of the industry, it will be a long time before many lumber operations are likely to be accommodated by independent retailers.

What has been said concerning the coal and lumber industries can also be said of the iron ore and quarrying industries. Mining operations carried on in isolated regions result in company-controlled communities.

Many of our railroad companies operate in remote and isolated regions and a considerable part of their labor force is transient. The companies have for many years provided commissaries for their labor force. However, the railroad commissary usually operates on a different basis from the regular company store. The chief function of railroad commissaries seems to be to provide eating places for transient labor. A comparatively few of these sell goods to the family of the workman, as the family usually resides along the road. The two historical reasons for railway commissaries are isolation and transient nature of railway labor.

Similar conditions obtain in public construction executed by private contractors.

Cheap labor, low taxes, and cheap rents in the South were among the reasons for the early development of the southern textile industry. These advantages could only be attained, however, by locating the mills in isolated regions along the foothills of the mountains of the Carolinas. Cheap farm labor resided in these regions and the factory has to be located near by. Mill villages were constructed and the textile companies usually furnished all of the community services.

Previous Investigations of the Company Store in the United States

As early as 1849 low wages and complaints against the company store led to a strike and to the organization of a union in the anthracite coal region of Pennsylvania.1/ In 1881 the "abolition of the 'truck' and 'order' system" was an item in the platform of a disaffected group of the Knights of Labor who met in Terre Haute, Indiana, to establish a rival order.2/ According to G. S. Mitchell,3/ the complaint against company stores lent impetus to the organizing activities of the Knights of Labor in the South. The Commissioner of Labor and Printing of North Carolina, in his report for 1887 quotes from a letter from a mill employee, complaining of the practice of discounting its scrip by the company store and of the limitation of the employee's trade to the company store by the payment of wages in trade checks, good only in merchandise.4/

The realization of a need to control the issuance of scrip and the practices of the company store is reflected in the passage of regulatory or prohibitory legislation by a number of states.

In 1868 a regulatory statute was enacted by the State of Maryland. In 1874 the Pennsylvania Legislature passed a statute

---

1. History of the United Mine Workers of America, Chris Evans, 1918, p. 5.
2. History of Labors in the United States, J. H. Commons and others, 1918, Vol. II, pp. 318 and 324.
3. Textile Unionism & the South, G. S. Mitchell, 1931, p. 5.
4. Quoted by J. J. Rhyne in Some Southern Cotton Mill Workers and their Villages, 1930, pp. 22-24.

attempting to control the payment of wages, the use of scrip, and the practices of the company store in the coal mining industry. In the decade of the eighties, twelve states, including among others, the Carolinas, Tennessee, West Virginia, Ohio, Kansas, and Washington, enacted somewhat similar legislation. In many instances this legislation was so poorly drawn that it could be easily circumvented or invalidated on constitutional grounds.

At the present time there are 32 states which have laws relating to company stores on scrip. In 17 of the states the use of coercion by employers to force employees to trade at company stores is prohibited. (Arizona, Arkansas, California, Florida, Indiana, Iowa, Kentucky, Louisiana, New Jersey, New Mexico, Ohio, Oregon, South Carolina, Tennessee, Texas, Utah, West Virginia.)

Five states have provisions as to the prices charged for goods by company stores. These statutes prohibit the sale of goods by company stores "at prices higher than a reasonable or current market value for cash" (Arkansas) or "at a greater sum than is a reasonable price therefor in the town or city where such sales are made" (Connecticut.) Somewhat similar provisions are found in the laws of Indiana, Ohio, and Virginia.

Six states prohibit discounts on scrip. (California, Connecticut Illinois, Mississippi, Oregon, Washington.)

In Colorado[1]/ the use of "truck system" payment, in whole or part of wages of any employee is forbidden. "Truck system" is defined

---

1/ United States Bureau of Labor Statistics, Labor Laws of the U.S., 1925, p. 234-235.

by this statute as follows:

(1) Any agreement, method, means or understanding, used or employed by an employer, directly or indirectly, to require his employee to waive the payment of his wages in lawful money of the United States, and to take the same, or any part thereof, in goods, wares, or merchandise, belonging to the employer or any other person or corporation.

(2) Any condition in the contract of employment between employer and employee, direct or indirect, or any understanding whatsoever, expressed or implied, that the wages of the employee, or any part thereof, shall be spent in any particular place or in any particular manner.

(3) Any requirement or understanding whatsoever, by the employer with the employee that does not permit the employee to purchase the necessaries of life where and of whom he likes, without interference, coercion, let or hindrance.

(4) To charge the employee interest, discount or other thing whatsoever for money advanced on his wages, earned or to be earned, where the pay days of the employer are at unreasonable intervals of time.

(5) Any and all arrangements, means or methods, by which any person, company or corporation, shall issue any truck order, scrip, or other writing whatsoever, by means whereof the maker thereof may charge the amount thereof to the employer of laboring men so receiving such truck order, scrip or other writing, with the understanding that such employer shall charge the same to his employee and deduct the same from his wages.

In Maryland 1/ company stores are forbidden to railroads or mining companies formed or organized in that state. But employees of a corporation may form cooperative stores. California 2/ prohibits scrip "redeemable otherwise than in money."

The laws in the other states vary as to negotiability or non-negotiability of scrip. In six states scrip is made non-negoti-

---

1. Pub. Gen. Laws. Code of 1911 Act 23, Sect. 311.
2. Statutes of 1915.

able, that is, only scrip presented for the redemption by the original holder may be honored: (Alabama, Kentucky, Mississippi, Oklahoma, Virginia, and West Virginia.)

Other states which have laws relative to scrip and company stores are: Georgia, Kansas, Michigan, New York, North Carolina, Pennsylvania, Arizona, Arkansas, Illinois, Iowa, and New Mexico.

The practices of the company store have been touched upon in repeated investigations by commissions or agencies of the Federal Government. Among these may be mentioned the following:

(1) A report on Capital and Labor Employed in the Mining Industry, by the U. S. Industrial Commission in 1901 contains evidence on the company store system, including an investigation of its use in western mines.

(2) Reports on immigrants in Industry, in 1908, by the United States Commission comments on the commissary system in the South.

(3) A report was made on Conditions of Employment in the Iron and Steel Industry, by the U. S. Commissioner of Labor, the field investigations being made in 1910 and the report published during 1911-13.

(4) The majority and minority reports of the United States Bituminous Coal Commission in 1920, touch on the subject.

(5) Perhaps the most comprehensive and authoritative report on the company store is that of a committee appointed in 1922 by Congress, to examine the various aspects of the situation faced by the coal industry, and published as Senate Document 195, 60th. Congress, 2nd. Session.

(6) A Sub-Committee of a Senate Committee was appointed in 1928 to "investigate conditions in the coal fields of Pennsylvania, West Virginia, and Ohio," and reported many first-hand interviews in S. Res. 105, 70th. Congress, 1st. Session.

(7) The Davis-Kelly Bill on which hearings were held in 1932, dealt with the company store.

(8) Hearings held during May, 1932, by a Sub-Committee of the Senate Committee on Manufactures to bring out conditions in the coal field of Harlen and Bell counties, Kentucky. (United States Senate Hearings in S. Res. 178, 72:1, pp. 17-18.)

From these various Government reports, and from private investigations and studies, it is possible to obtain something of a historical perspective concerning the antecedents of the present controversy. These sources reveal the persistence of certain issues and the gradual mitigation of others as geographical isolation was counteracted by better communication, and as public opinion changed. Of the various changes made against the company store, virtually all, except that of unfair competition with retailers, appear in preceding investigations.

It will be helpful to quote from the findings of previous investigations, bearing in mind that the existence of an objectionable practice in the past does not necessarily constitute proof of its survival; the findings of the Committee (p.) constitute its appraisal of the conditions as they now exist.

The report of the Industrial Commission (No. 1 in the preceding list) refers to the high profits earned by company stores, compulsion to patronize these stores, exclusion of independent merchants, and the effect of growth of population, and of unionization in contributing to the decay of the company store system. The quotation follows: 1/

1/ Vol. XII, 1901, pp. XXVII-XXVIII.

"It is claimed on the part of the operators that the establishment of company stores is necessary because mines are opened in isolated places, where supplies could not otherwise be obtained. It is admitted by the miners that this is sometimes true. It is maintained, however, that such cases are exceptional, and that in almost all cases the necessity is temporary. The real reason for the maintenance of the company store system is declared to be the great profit that it brings. Prices are alleged to be 15 per cent, 25 per cent, even 30 and 35 per cent higher than in other stores. The isolated character of many of the mining villages is mentioned as a justification for somewhat high prices. It is alleged, however, that miners are compelled to deal with the company stores, both by refusal of employment otherwise and by the barring out of other sellers. Often it is stated, the mining company owning the land where the town stands, refuses to admit any store but its own. Even when an outsider is permitted to establish a store, the company sometimes demands a percentage on his sales. In one instance peddlers and delivery wagons are alleged to have been prohibited from going near the company houses.

"Two influences are mentioned as contributing most powerfully to the decay of the company store system--growth of population and the consequent increase of trading facilities, and the growth of labor organizations. In most parts of the country the system appears greatly to have declined. All testimony agrees that it still flourishes undiminished in West Virginia, where the organization of the miners has little foothold. A West Virginia operator, who says that he knows of no operators who do not have company stores, asserts at the same time that prices are not excessive and that miners are free to deal elsewhere if they please. He admits, however, that the miners' organizations protest against the prices."

That the institution was not restricted to the eastern coal fields is evident from a digest of the testimony on labor in western mines printed in the same volume. There it is recorded that:

"Mr. Smith, Deputy Labor Commissioner, implies that compan stores in Colorado are chiefly found in connection with the coal mines. He believes that they compel the employee to pay much more for the necessities of life than would otherwise be the case. Although usually there is no absolute order that men must deal at the company store, those who do not are discriminated against in various ways. Company stores also sometimes give those who own them an advantage in competition with other producers." 1/

1/ Op. Cit. pp. 217-18

In Volume VII of this report dealing with conditions of labor in manufactures and general business, evidence was introduced to the effect that the company store arrangement was used in the New Jersey glass industry. It is reported in the digest for this volume that:

> "Mr. Wright, United States Commissioner of Labor, says that it might be very advantageous for employers to run stores to supply goods to their workingmen if these stores were properly conducted so that they might furnish goods at cost plus the mere expense of handling. This was formerly the policy of the Willimantic Thread Company, and at present the United States War Department carries on practically the same system for supplying goods to the officers' families. But the company store is a dangerous thing unless the employer is an angel. The tendency is to stock such stores with cheap goods and to maintain high prices. Often the owners of these stores, by recouping their losses in production through profits on goods, can compete unfairly against other producers. The worst fault in the system is the unwritten threat to discharge the employee who fails to trade at the company store." 1/

The next official report is that included in the Reports on Immigrants in Industry undertaken by the United States Commission of Immigration during 1908 (No. 2 in the foregoing list.). Field investigations were made in the Pennsylvania, Middle Western, Southwestern, and Southern bituminous coal fields. The employees covered by this study constituted 21.8 per cent of all employees engaged in these coal fields.

The general conclusion of the Commission on the operation of company stores in these areas follows in part:

1/ Op. Cit., pp. 34-35.

"In isolated communities, where the 'company store' is the only available place for the employee to make his purchases, it has been charged that the prices at the store were too high and that stock of an inferior quality was carried. In the majority of cases, however, the reverse is true, the employee being able to secure from the company store as good, if not better, articles for the same or a less price than would be charged by an independent store. For the convenience of the employees, 'checks' rarely in excess of the wages due, and good only at the company store, are furnished between pay days by the company. Many of the companies issued store books to the employees, the items purchased being recorded, and deductions for these items, as in the case of the checks, are made from the wages of the employee on pay day.

"It is maintained that patronage of the company store is not compulsory, but the system of paying wages does not bear out this contention. This applies more or less to all localities. In the Southwest the miners are compelled to purchase their powder and other explosives from the stores only. In the Middle West and South patronage is said to be not compulsory; at the same time, when only scrip or store orders are obtainable between pay days, and these scrip or store orders are good only at company stores, it is apparent that patronage is practically compulsory. The same policy in making deductions is followed in all localities. Outside of Pennsylvania, however, the mining company either owns and operates the store or has an agreement with some individual whereby the scrip or store order is honored, the amount to be deducted from the wages, as in cases previously cited." 1/

Many immigrants at this time were attracted to the iron and steel manufacturing industry, and accordingly an investigation of working conditions in this industry was undertaken. Only in the southern branch of this industry were company stores found in large numbers. The Commission's findings on the mode of operation of these stores are as follows:

"The system of commissaries is practically universal in all of the mining communities and in the iron and steel plant communities. The mines are usually iso-

1/ United States Commission of Immigration, Report on Immigrants in Industry, Part I, pp. 95-96, 1910.

"lated enough to warrant the location of a commissary for supplies of all kinds, while the steel plants employ a sufficient number of men to justify the maintenance of company stores. The small plants within the limits of the city of Birmingham, such as machine shops, frog and switch plants, cast-iron foundries, and the like, neither own company houses nor operate commissaries, but as a general rule whenever a company employs a sufficient number of workers, or is isolated enough from the residence sections of the city to warrant the owning and the renting of company houses, the commissary system is also one of its features.

"While the commissaries themselves are operated in a manner which may be justly considered efficient, much of the patronage is induced by the methods of wage payments. As pointed out in another section, the system of commissary checks and commissary credit is practically universal wherever the company maintains a commissary. The great majority of wage-payment periods are monthly.

"On pay days alone are payments made in currency; at any time between the pay days payments are made in the form of either--(1) commissary checks, whose face value expressed in dollars or cents represent the 'time' or currency wages due the employee; or (2) store credit, whereby the employee may deal directly with the store to the extent which his credit for wages on the company books allow him. In nearly all companies individual employees having good records for financial reliability and steadiness may overdraw their credit at the commissaries within certain limits in time and amount, both under the store credit system or the commissary check system.

"The effect of this policy is to encourage, and, in many instances, to have the effect of compelling employees to deal with the commissaries. In fact, according to the statements of some of the small operators, commissaries as a rule return not only a 20 per cent net profit in normal times to the company, but the system goes so far as to largely determine the race of employees. In certain cases it was stated that negroes were preferred because their improvident habits prevented them from being able to live on cash incomes paid monthly and thus force them to draw their wages weekly, and even daily, in the form of commissary checks or store credits. Currency payments were made monthly partly for this purpose. As a result, the negroes are always a little in debt to the commissaries; they are rarely the possessor of any currency, and stay in the employ of one

"company as long as their employers will allow them. Their wants are confined to the supply of goods furnished by the commissaries, with the exception of whisky, and they have no funds for any other purpose than that of bare subsistence. Exceptions to this generally improvident class of course were found. For the same reason these employers do not encourage immigrant laborers, and in some cases refuse to employ them altogether. The immigrant exhibits a strong tendency to get his wages in cash and to live on the lowest level possible to maintain subsistence. He patronizes not only as few stores as he can, and as little as he can, but he seeks the cheapest places, and seeks for them first among the merchants of his own race. It is only when he becomes Americanized in his expenditures that he is a profitable employee from the standpoint of the commissary owner." 1/

The following quotation from the report expresses the findings regarding profits:

"The fact seems to be that a well-managed store will yield a very good profit and it is the intention of the members of the coal-mining companies to retain this profit for themselves.

"They have few or no bad debts and consequently are able to make more than the average profit at moderate prices. 2/

"It was stated by a number of employers, however, that the companies operated their commissaries with the expectation of making about a 20 per cent profit, and it was further stated that negroes were considered cheaper laborers because they showed a decided tendency to spend all they made in purchases at the company stores. 3/

"In fact, according to the statements of some of the small operators, commissaries as a rule, return not only a 20 per cent net profit, in normal times to the company, but the system goes so far as to largely determine the race of employees. 4/

1/ Op. Cit., Part II, pp. 189-91
2/ Reports of Immigration Commission, Immigrants in Industries, Part I, Vol. I, pp. 324-27.
3/ Ibid, Part I, Vol. II, p. 199.
4/ Ibid, Part II, Vol. II, p. 189-91.

The report of the United States Commissioner on Labor Conditions of Employment in the Iron and Steel Industry (No. 3 in the preceding list) emphasizes the extent of the discounting of scrip and the small amounts of cash received by workmen.

The report states that exorbitant prices were charged, and that scrip was discounted at a rate of from 10 to 25 per cent.

> "In the case of seven companies located in the Southern district this necessity (dependence upon a company store) was made a source of profit to the company. In these seven companies, when the employees asked before pay day for the payment of wages already earned they were given store orders or some form of scrip which could then be cashed at a discount of 20 or 25 per cent either by the company itself or at the company store. These seven companies together employed 2,600 men and by the practice of such discounting greatly reduced the amount of cash necessary for the payment of wages. In every one of these seven plants wages were paid only once a month, and from 10 to 20 days were allowed in each case for the making up of the pay roll. From 40 to 50 days, therefore, elapsed between the beginning of the payroll period and the day on which the settlement of wages was actually made. In none of these cases, it should be noted, is any money advanced which has not already been earned by the employee and which is not on the books to his credit. The transaction, therefore, amounts simply to the deduction of either one-fifth or one-fourth of the total amount of wages for the simple service of paying it before the time set by the employer as the regular pay day. Furthermore, the same charge was made for money advanced two or three days before pay day as for advances made two or three weeks before pay day.
>
> "In the case of other companies in the Southern district employing in total about 4,600 workmen store orders issued as advances on wages were not cashed directly by the company or by the company store, but were bought and sold by outside parties at discounts ranging from 10 to 25 per cent. In many cases the clerks and minor officials of the company made of this a regular and lucrative business.1/

1/ U. S. Commissioner of Labor, Report on Conditions of Employment in the Iron and Steel Industry, (1913), Vol. III, pp. 392-394.

> "In many of the southern plants it was found that after the deduction of the company store bill, the company house rent, as well as the arbitrary fees deducted for medical service, insurance, etc., there was such a trifling sum remaining to be paid in cash that many of the workmen were practically compelled to remain in the locality. In some of the localities workmen were found who had had only a few dollars in cash for six months or more. Since there is seldom another steel plant in the community such men are practically obliged to continue in the same employment, unless they can secure a job with some establishment that is willing to pay their railroad fare and advance them a few dollars for immediate expenses." 1/

Frequent references are made in the literature on the subject to the supposedly high profits enjoyed by company stores. Little evidence is available on this point. One example, which was presented as evidence to the House Committee investigating the United States Steel Corporation in 1910, is furnished by the statement of the Union Supply Company. It is not necessarily typical of present conditions.

The Union Supply Company (Ltd.) was organized in 1898, with a capital of $75,000 as a subsidiary of the Carnegie Steel Company. It operated company stores situated largely in the coke regions. On April 1, 1902, the Union Supply Company took over the business of the former company.

> "The dividends of these two companies from 1898 to 1910 amounted to $4,703,067 on a capitalization which was originally $75,000, but was increased to $500,000 without the addition of new funds. Within twelve years, therefore, these stores have paid the stockholders (in this case the United States Steel Corporation) 62 times as much as the capitalization at the beginning of the period, without any new investment except that has been made out of earnings.

1/ Op. Cit., Vol. VII, pp. 445-50.

" The Union Supply Company (Ltd.) during the 52 months for which records are available, paid dividends equal to slightly over 1,617 per cent of its $75,000, which represents an average of 372 per cent per annum. The Union Supply Company, with a nominal capitalization of $500,000, has paid dividends aggregating 608 per cent. covering 104 months of business, which means an average per annum of 80.5 per cent, or 537 per cent of the original capitalization of $75,000. ---- The accounts receivable amounted to only $977.98, which means that there are practically no losses through bad debts, which form such a considerable item in the accounts of most retail merchants." 1/

During the war years no official inquiries into these matters were conducted. After the war, the coal industry again became the subject of investigation. The President appointed a United States Bituminous Coal Commission which reported to him in 1920. In both the majority and minority reports it was concluded that the advancement of wages in scrip or store order, a concomitant of the company store system, had created a serious evil. In the Majority Report (No. 4 in the preceding list) it is stated that: 2/

"The mine workers presented to the Commission statements showing that a serious evil exists in the industry in certain localities where the operators exact discounts upon advances of pay made between pay days.

"We recommend that the making of advances be discouraged in every way; and, if for any good reason an advance is asked and made, it shall be done without discount, either directly or indirectly."

The tentative award as originally prepared for the consideration of the Commission by Commissioner J. P. White, author of the Minority Report 3/ was even more strongly expressed.

1/ Report on Conditions of Employment in the Iron and Steel Industry in the United States, Vol. III, pp. 392-94.
2/ Report of the United States Bituminous Coal Commission, 1920, p. 49.
3/ Ibid, p. 119.

> "It was cited by the miners during the hearings that a very serious evil exists in the industry, through the practice of the coal operators advancing money to employees during the interim of pay days and exacting discounts. This policy, in the opinion of the Commission, is absolutely wrong, and we find no justification for its existence.
>
> "The Commission decides that the coal operator shall not accept advance orders on the employees' wages, and, in the event the operator advances money on account, it shall be without order or discount."

The continued instability of conditions in the coal industry evoked the Congressional demand for a thorough investigation. Accordingly, in September 1922, a Committee was created and authorized to examine into the various aspects of the problems (technological, economic and social) faced by the coal industry. One such aspect was labor relations, including the living conditions of the miners in the anthracite and bituminous coal fields. This study of the company store (No. 5 in the preceding list) is by far the most comprehensive of all authoritative investigations. The field work for this part of the study was conducted in the latter part of 1922.

The report which was completed in 1925 1/ indicated that the company store problem was unimportant in the anthracite coal fields. The presence of the company store in these regions was in fact exceptional. This fact might be attributed not only to strength of the miners' union but also to the fact that the important seams lay in close proximity to urban settlements, eliminating thereby, the establishment of a company town and the company store. In the bituminous fields, however, the Committee's findings indicated that the practices of the company stores were a cause for complaint.

1/ Senate Document 195, 68th Congress, 2nd Session.

Thus, in the matters of advance payment by scrip and wage deductions, often referred to as the operators' check-off, the following observations are reported:

> "It is customary for the operators in both union and non-union fields to make certain deductions from the wages of the miners. The deductions include occupational charges, such as charges for smithing of tools, for powder, fuse, and for certain domestic and personal charges like household coal, rent, bills at the company store, charges for the support of the doctor, hospital, school and bathhouse.
>
> "In union areas the deductions are usually specified in the agreements and the amount is fixed by bargaining between the union and the operator. They have thus ceased to be important factors of irritation.
>
> "In the non-union areas the charges are fixed by the operator. It is often asserted that he makes an undue profit on some of the supplies furnished, and that the charge for services is exorbitant. Some of the charges that frequently become a source of irritation are for services that in other industries are habitually rendered by management as an expense incident to securing and holding its working force.
>
> "Advance payment by scrip and discounting of scrip--payment in scrip or in any other form than lawful money--is forbidden by law in most states. In some non-union areas, however, the practice still flourishes. In communities where this is practiced, the scrip is likely to be cashed in advance of pay days at a discount. Sometimes this cashing at a discount is done by the company, sometimes by the stores in the community, sometimes by persons who make part or most of their living by discounting scrip. The effect in these communities, especially in the negro communities, is to keep the worker in ready cash at the expense of his gross earnings. Monthly pay days and the issuance of scrip, which could be discounted heavily for cash was formerly the general practice in Alabama. Attempts at reform have repeatedly been made. A bi-monthly pay day is now in effect and it was stated to our investigator that discounting had been discontinued. However, at the first two mines visited for this study, it had not been discontinued. The discount rate between pay days was said to be 10 per cent. At one company, the storekeeper said that he makes a

"practice of discounting at 20 per cent. This same practice was found in effect by the Arbitration Board that settled the strike of Alabama miners 20 years ago and was there condemned. It is disappointing to find it still obtains.

"The pauperizing effect on the workers is easily seen. In union areas the operator has cooperated with the union in vigorous attempts to do away with the practice of discounting wages in any form and by any agency. 1/

In view of this evidence the Committee decided to recommend "that the practice of discounting 'scrip' be made illegal." 2/ The Commission reached the conclusion also that the "relations of employee and employer are less clouded with personal feeling where company stores do not exist." 3/

The report has this further comment to make on the effect of the system:

"While the company store is a necessary institution in new regions, its continuance for too long a period has a bad effect on the very people served. The practice of issuing scrip for store purchasing as fast as money is earned is a great convenience to the miner when earnings are irregular, but it relieves the miner's wife of all responsibility for planning the household budget. As the dinner hour approaches, the children run down to the store to get a dollar's worth of scrip with which to buy the evening meal. When sales slips are not used, the mother has no way of reckoning what each article cost, or whether the clerk made the correct deduction. She makes no careful examination of foods in market or of prices. If she had to pay cash she would have a much keener sense of the value of the money and of commodities. Undoubtedly a sudden change from the pay-roll-deduction system to earning-in-full system would result, at first, in extravagant expenditure of earnings and nonpayment of bills. But miners and their wives are adults. They should be given the responsibility of adults as soon as the growth of the community develops or attracts competent, independent merchants to their districts." 4/

1/ Op. Cit., Part III, pp. 1319-1320.
2/ Ibid, Part I, p. 156.
3/ Ibid, Part III, pp. 1460-63.
4/ Ibid, Part III, pp. 1460-63.

The Coal Commission also made the only previous comparison of prices in company and independent stores which merits attention.

> "On December 15, 1922, prices on foods from 99 New River (West Virginia) stores, of which 57 were company stores, and 42 independent stores were tabulated. All kinds of food forming as much as one-tenth of one per cent in the total of food purchased during 1922 by 5,865 New River families, were included in the price study. Such foods numbered 54 and equalled 96 per cent of the total quantity purchased.
>
> "On 33 foods, company store prices were higher; on 10 foods, they were equal to; and on 11 other foods, they were less than average prices charged in stores owned, independent of coal companies----when food prices charged in company stores and food prices charged in independent stores are multiplied by the importance of a food in local purchasing, the miner's family buying all supplies in mine company stores, pays 4.2 per cent more for its food than does the family that patronizes only independent stores in the district.1/"

In the Kanawha district of West Virginia, price quotations were obtained from 42 company stores and 158 independents.

> "Had the food bought by the 4,366 mine workers' families in the Kanawha district in 1922, been purchased in company stores, it would have cost these families 4.2 per cent more than if it had all been purchased in independently owned stores in the district." 2/

This differential, in the opinion of the Commission, cannot be attributed to the superior quality of goods handled by the company store. For

> "so numerous are the brands sold in both company and independent stores, so frequently are the brands on the shelves of one to be seen on the shelves of the other, that there is no ground to believe that the reason for higher prices could be attributed to differences in quality of stock." 3/

1/ U. S. Coal Commission Report, 1925, Part III, pp. 1517-19.
2/ Ibid, pp. 1532-33.
3/ Idem.

In the Alabama district, a similar price study was made. Data were secured from 23 coal-company-owned stores and from 23 independent stores on 52 articles of food, representing 90 per cent of the total quantity of food purchased during the year.

> "On 11 articles of food, prices in commissaries and independent stores, were identical; on 8, they were lower in company stores, and on 30, they were higher. Had mine workers' families purchased all supplies at company stores, it would have cost them 7 per cent more than if they had purchased all supplies at independent stores." 1/

The Commission's explanation of the difference between company store and independent store prices is as follows:

> "The difference in price seems to be due to the fact that managers of company stores, in addition to earning their own salaries and those of their assistants, want to make a profit for the company, whereas many of the independent stores are operated as family concerns, with no salaries to pay and only the family living to get from the proceeds of the business." 2/

The depressed conditions in the coal field in 1928 again provoked Congressional action. The Senate passed a resolution to "Investigate Conditions in the Coal Fields of Pennsylvania, West Virginia and Ohio." 3/ A Sub-Committee of the Senate Committee on Interstate Commerce, composed of Senators Gooding, Wagner, and Wheeler, made a field trip to the Pittsburgh region in February 1928 to observe conditions.

A detail of this report (listed as No. 6) is that a miner named Charles E. Barr, 4/ the husband of a woman interviewed by the Committee, made an affidavit to the effect that he was discharged

---

1/ Op. Cit., pp. 1566-67.
2/ Ibid, Part III, pp. 1460-63.
3/ S. Res. 105, 70th Congress, 1st Session.
4/ Hearings before the Committee of Interstate Commerce, U. S. Senate Res. 105, 70th Congress, February 10, 1928, p. 175.

from the employ of the Pittsburgh Coal Company on account as said by the superintendent of said mine, of his wife having talked too much to the Committee.

John L. Lewis, President of the United Mine Workers of America, related graphically to the Committee the hand-to-mouth existence which mine workers live in in times of slow work. The case of a certain Joel McGuff, who was forced to smuggle his household goods off the mine property to escape what he called "virtual slavery" is also related. 1/

In the Davis-Kelley Bill (1932) "to regulate interstate and foreign commerce in bituminous, etc." 2/ there is a clause reading "Employees of all licensees .... shall be free to purchase their necessities of life where they choose." Congressman Kelley (No. 7 in list) during the Senatorial Hearings, (March and April) explains the purpose of this provision of the Bill as follows:

> "We provide also that the company store shall not have arbitrary power to compel buying patronage and that operators shall not require miners to buy merchandise from them when the miners do not desire it."

The following quotations are taken from the hearings 3/ of the bill:

> Mr. Adams: "The coal industry is the only industry that sells its product at a loss and then attempts to earn a profit through company store systems that charge from 20 to 40 per cent more than independent store prices, all by a system of forced trading. The miner either submits or forfeits his job."

1/ Op Cit, p. 476.
2/ S. 2935, 72:1.
3/ Hearings on the Davis-Kelly Bill, S. 2935, 72:1, pp. 752-3.

Senator Davis: "That does not prevail, that charging 40 per cent more, in every mine?"

Mr. Adams: "I did not say that, Senator. There are some benevolent coal operators, even among the non-union fellows, so far as dealing with their men. There might not be many, but there are some. But for the most part the purpose of the commissary--it does not make any difference whether it is a union field or a non-union field, the purpose of the commissary is to make money and to make as much as they can. They even lend money for 15 days and charge 10 per cent for it."

Senator Hatfield: "Do you think the commissary as a general rule is an advantage or disadvantage to the coal miner?"

Mr. Adams: "Well, I will say in some particular spots a commissary is absolutely necessary. I think a commissary is to the miner's disadvantage and very costly to him, wherever it operates. That is my frank opinion about it."

Senator Davis: "Are you familiar with the commissary store at the copper mines in Arizona, Senator Hayden?"

Senator Hayden: "There have been complaints in many instances such as the witness says."

Senator Davis: "That was originally worked out down there very satisfactorily for a time during the war. I remember reading the report of one of the divisions of the Department of Labor."

The interrogation of Senator Hayden of Arizona at the hearings on the Davis-Kelley Bill suggested a possible solution that has been used in the copper mines of Arizona.

Senator Hayden: "The facts are that in practice at the copper mining camps the surface of the ground is not owned by the mining company, that is the town site, and there-

Senator Hayden: (continued)

"fore it is a comparatively simple matter in most instances for a merchant to purchase a lot, build a store and sell goods in competition with the company store. So that in recent years the complaint has not been general, and the objections to the prices of company stores have not been as loud. That is the situation as it exists in the last 10 or 15 years. Prior to that time there was considerable complaint about miners being compelled to purchase at the company's store in opposition to the company's allowing rival merchants to establish business." 1/

The most recent Senatorial investigation (listed as No. 8 above) to touch upon the subject was the hearings during May 1932 by a Sub-Committee of the Committee on Manufacturers on conditions in the coal fields of Harlan and Bell Counties, Kentucky. Mr. Garland, a miner from Pinesville, Kentucky in his statement alleged that at this late date coercion was still exerted by the company stores in order to secure patronage.

"If a miner is able to leave scrip in there for a month, then he will get it in money; but he will not get to work more than two weeks until they see, when he ain't taking it out in scrip, they fire him, like they told the men at Kitts, Kentucky. They said, 'If you trade at Piggly Wiggly's, you can get your job at Piggly Wiggly's.' That is what the superintendent got up at the drift mouth and made a speech to." 2/

Testimony to the same effect was given by Melvin P. Levy, Secretary of the National Association for Defense of Political Prisoners. It follows in part:

"I also saw and at one time had in my possession a letter from the Black Mountain Coal Corporation to one of its employees, which said: 'We note in the

1/ Hearings on the Davis-Kelley Bill, S. 2935:1, pp. 752-3.
2/ U. S. Senate Hearings in S. Res. 178, 72:1, pp. 17-18.

"company's books that you are not taking out much scrip. This is an indication to us that you are trading in private stores', and then continued with a request for the miner to come in and look things over and that if he did so 100 per cent of his trade would go to the company's store or else---. The man that had this letter sent to him gave it to me. He told me he went to the company store and said he could not afford to trade at the company store and was dismissed." 1/

Daniel M. Carrell, Colonel of 138th Field Artillery, Louisville, Kentucky was requested to investigate conditions in these counties for the Governor. The relevant excerpts from his testimony 2/ are quoted:

Colonel Carrell: "Well, in the investigation we asked a number of the miners that came to us and told us that the stoppages took up nearly all they had and we asked them to bring their pay sheets to us, as we wanted to look at that, and we were able to get some, but none showing a situation as bad as that which had been painted by some of the miners. Some of them corresponded with the statements and others who had had statements did not turn them in."

Senator Costigan: "Some miners received nothing over the deductions?"

Colonel Carrell: "That was their claim. We wanted to see if it were true. The Governor asked for us to investigate that sort of thing. When the statement came to us the lowest we found in two weeks at that time was $19.08 for two weeks' pay."

Senator Costigan: "It was my understanding that you said some of the miners' statements of that sort were confirmed?"

1/ Op. Cit. p. 30.
2/ Ibid, pp. 131-32.

Colonel Carrell: "I said some of the miners' statements were confirmed, but not the miners who claimed the stoppages was all they had. If there happened to be a shut-down in a mine at any time for a month, they might not even cover the stoppages with their earnings. In that case that would be a charge against them for another time. The stoppages amounted to between $15.00 and $16.00 a month--that is one-half of that amount each pay."

The statement of Howard N. Eavenson, President of the Clover Splint Coal Company of Pittsburgh, submitted at the Senate hearings, is quoted below: 1/

> "Practically every mine in the Harlan field, as well as in all of the other southern fields--and I might say the northern ones--operates its own store. In most cases, on account of the lack of such facilities, it is absolutely necessary. (In some places, as has been charged, it is probable that the men are required to buy in the stores, and it is also possible that some of the stores charge more for the goods sold than can be bought for in other parts of the county.) The writer personally has never been connected with any company which compelled or even suggested to its men to deal at its own store, and my own opinion is that this is the practice pursued by most of the mines in the Harlan field."

In the hearings for the adoption of the Code of Fair Competition for the bituminous coal industry, some references were made to company store practice, and provisions regulating those practices were included in the code. Testimony by two operators in the hearings on the code are as follows:

Mr. George B. Hanington, President of Chicago, Wilmington and Franklin Coal Company, Chicago, Illinois remarked:

1/ Op. Cit., p. 192.

> "Now, all over the Middle West, and I am pretty sure in other districts, one of the meanest methods of unfair competition is agreeing to pay the men the standard scale and then pay them in phony money or take back his security by raising their rents or in some other way, and we put this provision in and believe it will be one of the very important and helpful things in restoring decent competition in our business if we can stop that." 1/

Frank E. Taplin, Cleveland, Ohio, on behalf of the Central Coal Association said:

> "In the non-union mines it is the general practice--that is, our mines and everybody else's non-union mines--when the men do not trade at the company store and pay whatever prices are asked, they are let out. That is particularly true in the South. Furthermore, there is the practice in a great many non-union mines of paying the men with scrip which is good only at the company store." 2/

This survey has, in the main, been confined to governmental investigations. A number of studies have been made by private organizations. A recent publication, The Plight of the Bituminous Coal Miner by Homer Lawrence Morris, records one of these. The author was an active participant in the relief program in the mining camps undertaken by the American Friends Service Committee of Philadelphia. The Committee's relief activities consisted mainly in a child-feeding program starting in September 1931 and continuing throughout 1932. The program eventually embraced 690 schools in 41 counties and six states. The above-mentioned study is based on the observations obtained in connection with the relief work. We restrict ourselves to three quotations.

1/ Coal Code Hearings, August 10, 1933, p. 1013.
2/ Ibid, p. 1043.

The first one indicates, as the Coal Commission did ten years earlier, that the long-time effects of the scrip and company store system affect adversely the development of individual and community responsibility.

> "The miner's wife has an unusual amount of leisure time because her housekeeping duties are rather simple. The food is obtained largely from the commissary and requires little preparation. Most of the expenditures of the family are made in the company store. Rent, light, heat, doctor's fees, and hospital charges are all deducted from the pay envelope. That which remains of the wages may be spent for groceries and clothing. The children do a surprisingly large amount of the buying. It is easy to send them to the store to get food for the next meal. The housewife places on the store manager the responsibility of seeing that the charge account does not exceed the miner's wages. The whole system makes it possible for the wife to be relieved of the necessity of planning carefully the household expenditures and living within a budget. This practice thwarts not only habits of economy and individual responsibility, but also leaves a disproportionate amount of time for leisure which the community is not organized to utilize constructively." 1/

In commenting on conditions in one mining camp, the author observed that

> "The secret of the miners' loyalty to this company lay in the labor policy which the company had followed. No union had been tolerated in the camp since the strike of 1922, although higher wages had been paid than by most other companies. At times the wages had been considerably above the union wage scale. Rents had been reasonable and the houses had been kept in good repair. There had been neither pressure nor attempt to compel the employees to trade at the company store. The manager of the store had been required to compete with independent store prices. This had been done successfully. Not a miner interviewed had a word of criticism against the management or the policy of this company store. This liberal store policy probably had more to do with the attitude of the miners toward the coal company than anything else. The miners

---

1/ Homer Lawrence Morris, The Plight of the Bituminous Coal Miner, 1934, p. 94.

repeatedly made the statement: 'This was the best place to work along the creek .... The company never robbed us of our money at the store. When a man became dissatisfied and left this camp you could always expect him back.' " 1/

The remaining quotation summarizes the burden of this section, i.e., the continued existence of the complaint among the bituminous coal miners.

"The severe criticism made by the miners a decade ago against the high prices charged in the company stores has not ceased, but continues to be a grievous complaint as evidenced by the criticisms voiced by the unemployed miners interviewed in connection with this study. High prices are usually accompanied by the requirement that the employees trade in the company stores. 'I've known men to buy some food at the A & P store and then get fired the next day for something they didn't do! The miners resent this type of coercion and exploitation. The management of the company store has caused more ill will, misunderstanding, labor turnover, and labor difficulties than any other policy of the coal operators."2/

Conditions in the Southern cotton mill villages have only infrequently been subjected to governmental inquiry with the result that there is a paucity of published material dealing with conditions in the textile industry. However, since the strikes in this section during 1929, there have been several non-official investigations. One of these was undertaken by the Federal Council of the Churches of Christ in America. In the latter half of 1929 several members of the research section of this organization made an intensive study of conditions in Marion, North Carolina. The section dealing with company stores reads as follows:

1/ Morris, Op. Cit., p. 119
2/ Ibid. p. 166

"While workers were not compelled to trade at the company stores maintained by both the companies, they said that the credit system in effect often compels them to do so, because credit is issued against future pay be means of books of tickets good for trade at the company stores. New families, in particular, families with the lower weekly earnings, and those who may get behind because of sickness, unemployment or accident and have no cash reserves, become indebted to the company stores in a way that sometimes involves in advance a high per cent of their wages, leaving them little or no cash. According to workers and others who have investigated, cash is often obtained by such employees by selling books of tickets which are bought in at a considerable discount by overseers and others who have money. Thus, at some sacrifice, they can obtain cash to purchase goods in the independent stores or for other purposes. They say that the prices charged by the company stores are considerably higher than the prices of corresponding articles in the independent stores." 1/

1/ Federal Council of Churches of Christ in America, Information Service of the Department of Research and Education, Vol. VIII, No. 47, p. 3.

LEGISLATION IN FOREIGN COUNTRIES

Company stores have had a long history in European countries. This section of our report summarizes the more important legislation.

England.

The legislation relating to the "truck system" dates back many years. The Town Labourer 1760-1832 by J. L. and Barbara Hammond graphically describes the difficulties met with in the attempt to enforce the "truck acts", and the tendency of the magistrates when called upon to enforce the law, or when serious trouble resulted from non-enforcement to jail the protesting workmen under vagrancy acts rather than to require obedience by employers. A quotation from this source follows:

> "There was a Truck Act on the Statute book as early as 1726, the first Act applying to the woolen industry. From 1749 there are various Truck Acts applying to other industries.
>
> "In the coal and iron works of the Midlands and Wales the masters paid wages to a large extent by means of their "Tommy-shops", and the abuses were particularly flagrant. This system was a perpetual cause of ill-feeling in the life of the district; it poisoned the relations of masters and men, and it vitiated all the calculations of the wages paid, so that the men felt that in every quarrel the employers were deceiving the public by their statements of the 'ample pay and constant work' enjoyed by their misguided men. This was the feeling of others beside workmen."

The agitation discussed by Hammond led to the Act of 1831 which is practically the beginning of modern legislation on the subject of "truck". It not only repealed the mass of previous legisla-

tion on the subject but also became the operative statute. One of the objects which Parliament had in view is stated in the preamble of the Act: "... to prohibit the payment, in certain trades, of wages in goods or otherwise than in the current coin of the realm." To this end contracts between employer and employee were illegal which (a) allowed payment of wages by any other method than in coin; (b) made any provision as to how, where, or with whom any part of the wages were to be expended. Collection over payroll was prohibited by requiring the payment of the entire amount of the wages earned to be made in coin and not otherwise; and any part of the wages so paid could be recovered by the worker and no set off by the employer was permitted for goods supplied by the employer. Deductions for medicine or medical treatment, fuel materials, tools, rent, and meals prepared and eaten on the employer's premises were the only ones permitted. And these could not exceed their real and true value, and could only be made in pursuance of a contract in writing signed by the worker.1/

The Act of 1831, however, according to the Report of the Truck Committee of 1908, did not go far towards elimination of the practice of "truck". The enumeration of trades to which it was applied by Section 19 was large, but did not include masses of the population who were engaged in industries other than set forth. To quote from a memorandum on the law relating to truck issued by the Home Office in 1896:

1/ Joseph Owner, Handbook to the Factory Acts and Truck Acts (1933), pp. 102-3.

"'Truck therefore still continued in other employments. It was, perhaps, at its worst among the labourers employed to make railways who used hardly ever to receive money except at long intervals, when they celebrated an orgie.

"'This evil was considered by a Select Committee in 1846, who recommended the extension of the Truck Acts to persons engaged in making railways. But no parliamentary action followed this report until 1887.

"'In consequence of a fresh agitation among the working classes, a Royal Commission upon Truck was appointed --which went over the whole of the ground again, and presented a voluminous report.

"'They endeavored to form some estimate of the extent to which the Truck Act was being broken and they came to the conclusion that, counting women and children, probably nearly half a million of people were dependent on works where either poundage (i.e., interest on money advances) is charged, or a shop kept by the employer. Truck was found chiefly to exist in the coal and iron mines in Wales. It was carried on by means of long-deferred wage payments, which forced the men to seek for advances, which they got as a grace, and as a condition of which they were bound to deal at the employer's shop. A man who, having received his advance, slipped away with it without expending it in the employer's shop, was called a "sloper", a term which has passed into vulgar language."

The 1908 report continues:

"By the Act of 1887 the principle was extended to any 'person who, being a labourer, servant in husbandry, journeyman, artificer, handcraftsman, miner or otherwise engaged in manual labour, whether under the age of 21 years or above that age, has entered into or works under a contract with an employer, whether the contract----be expressed or implied, oral or in writing, and be a contract of service or a contract personally to execute any work or labour.' Provision was also made for a more effective enforcement of this Act." 1/

In this manner was the truck system abolished. Subsequent investigations into the truck system made in 1896 and 1908 were

---

1/ Op. cit. pp. 5-6.

concerned with stoppages or deductions for fines and penalties imposed upon workers in some industries.

Germany

The laws of the German Empire (1908) are contained in "7 Reichsgewerbe-ordnung". They provide that, in general, wages are to be paid in cash. The employer is forbidden to supply goods on credit. If he does, he cannot sue for them, nor make deductions, nor demand the return of the goods, which, with any payments that may have been made, are forfeited to the workmen's relief funds (Hilfskassen). Moreover, payment by orders or stamps on the shop of employer is forbidden.

Nevertheless, payments in kind are permitted if they are effected by previous agreement or by the workmen's consent given at the time of payment. But such payments are limited to the supply of regular meals at average cost, food and drink at cost price, house and land at ordinary local rates, medicine and medical attendance, and tools and materials under like conditions of cost.

One of the results of this legislation was the formation of stores (Werkskonsumanstalten) owned by industrial enterprises but operated on a quasi-consumers' cooperative basis. That is, the bulk of the sales in these stores is for cash and even for those items, such as furniture and clothing, sold on credit, no deductions are made from the worker's wage. The cooperative feature consists in rebating any profits to the individual workers in proportion to their patronage with the store. Under pressure from independent re-

tailers, these stores were prohibited from selling to persons not in the employ of the parent enterprise. The workers are given a voice in the management of the store through a worker's council, but seemingly it is only nominal, the real control resting with the parent concern. However, the aggregate volume of business of the Werkskonsumanstalten is not large and therefore should not be regarded as the German counterpart to the American company store. 1/

France

In France the company store began to appear about the middle of the nineteenth century at the time when heavy industry was developing. As in other countries these industries were developed in relatively isolated regions necessitating the establishment of company stores. Such stores were also established in less isolated regions at this time in order to combat the high cost of living. They seemed to have been initiated for genuine humanitarian purposes. But within a few decades they were transformed into instruments of exploitation. Commodities were sold above cost with the intention of making substantial profits; the introduction of this motive led to coercion to trade and a denial of service to strikers. These abuses stirred up agitation among the workers at the very time that the French consumers' cooperative movement was extending its scope of operations; and in many cases the abuses of the company stores (economat) were eradicated by a complete liquida-

---

1/ For a more detailed discussion of the activities of the Werkskonsumanstalten, see Ausschuss zur Untersuchung der Erzengungs and Absatzbedingungen der deutschen Wirtschaft. Unterausschuss (III) fur Gewerbe (Industrie, Handel und Handwerk) Werkskonsumanstalten 1929, 113 p.

tion of the company store and the establishment of a genuine consumers' cooperative. Nevertheless, by 1910 the company stores existed in sufficient numbers to warrant legislation on the subject.[1]

On the 25th of March 1910, there was passed an "Act suppressing truck shops and prohibiting employers from selling, directly or indirectly, to their workmen and employees supplies and goods of any kind."[2] The provisions of this Act are:

> "It shall not be lawful for an employer (1) to establish in his industrial premises a truck shop for the direct or indirect sale to his workmen or employees or to their families of supplies and goods of any kind; (2) to require his workmen or employees to spend their wages wholly or in part in shops designated by him.
>
> "Notwithstanding, this prohibition shall not apply to any contract of work which provides that the workmen shall receive board and lodging in addition to a fixed money wage, or if the employer provides the workmen with supplies at cost price in execution of the contract.
>
> "All truck shops shall be closed within two years of the promulgation of this Act." [3]

The only exemption is the truck shops established by railway companies under state control. These may continue to operate provided employees are not obliged to buy from the truck shop; the employer makes no profit from the sale of supplies; and the management of the shop shall be by a commission one-third of whose membership is elected by the workers of the parent railway company.

1/ For a history of the company store in France, see J. Lansard, Etudes Economiques et Legislative: Les economat (1908).
2/ Bulletin of the International Labour Office, Vol. V (1910), p. 377.
3/ Idem.

Spain

Spain too had seen fit in the pre-war period to enact rather drastic legislation on the subject of truck. A Royal Decree "prohibiting the establishment of canteens belonging to employers or their representatives in factories, mines and productive undertakings of any kind, and ordering the payment of wages in legal currency" was issued on July 18, 1907. The provisions of this Decree appear also in the Labour Code promulgated in 1926. Not only must wages earned in industrial employment be paid in legal currency but "No shops, canteens or tobacco shops belonging to employers, contractors, overseers, or their representatives, or to persons who, as a result of their industrial position have any hold over the persons employed in the industry concerned, shall be established in any factory, mine, or building, or productive undertaking of any kind whatsoever."[1/]

Exception to this rule is granted "in the case of places of sale (economatos) organized by employers or contractors for the purpose of supplying provisions for their workmen, provided that all such provisions shall be supplied or sold at cost price, and that the workmen shall be given a certain amount of control over the said places of sale." In addition, a provision of the 1926 decree stipulates that publicity be given to the conditions under which the goods are supplied.[2/]

Other European Countries

In Belgium and Austria the legislation is some what more

1/ Bulletin of the International Labor Office, No. 2, 1907, p. 377.

2/ International Labour Office, Legislative Series, 1926, p. 5.

tolerant of the truck system. Although the law in each of these countries requires the payment of wages in legal tender, and prohibits any contracts binding the worker to purchase at a certain store, except in the case of uniforms, tools, and miners' supplies, there are numerous exceptions which permit wage payments in kind. Thus, among other things, commodities (denrees) clothes, and fuel at net cost may be supplied to the Belgian workers by their employers. In Austria payment in kind may be made in pursuance of an agreement to that effect and such payments may embrace lodging, fuel, and provisions or regular board, the value being reckoned at what it would cost the workman to obtain them. 1/

This brief comparative survey based on The Report of the British Truck Committee, 1908 indicates that, by the outbreak of the World War, the more important industrial European countries saw fit either to abolish or regulate the activities of the company store. In the post-war period, accordingly, the main extensions of this legislation in Europe, with the exception of Bulgaria, were to the countries created by the peace treaties, such as Poland and Finland. In the latter instances the legislation is more regulative than prohibitive. In Poland the company stores are permitted to operate under license from the local labour inspector. Prices which are not to exceed "average market prices" must be filed and approved by the inspector.

The Finnish statute is rather ambiguous. Although "Wages shall be paid in current coin of the realm, goods or privileges as

---

1/ Report British Truck Committee, 1908, pp. 96-97.

specified in the contract, and goods or credits shall not be substituted for cash wages and any stipulation to the contrary shall be void," nevertheless, "remuneration fixed in kind shall be issued according to its nature and local custom." There is inserted, however, the clause voiding "any contract restricting the right of the worker to dispose of his wages freely, except as concerns taxes or contributions to workers' benefit funds established in accordance with the law which exist exclusively for the advantage of the workers." 1/

The Bulgarian Act, although of somewhat limited application, applies to the handicrafts and provides that "Masters shall not supply their employees with goods of any kind or alcoholic beverages on credit and workers shall not be compelled to purchase goods in shops designed or recommended by the master." But of more importance, "Deductions from wages shall not be made otherwise than on an order of a law court, in the case of amounts for which the master is liable under this Act or fines imposed in the undertaking of which the worker has been informed on entry into the employment, and shall not exceed one-fourth of the wages. 2/

In non-European areas there have also been significent legislative developments, especially in colonial countries. In 1923 the company store was materially regulated in both the Federated Malay States and the Strait Settlements. The relevant sections of the law are presented. "In all agreements or contracts for the hiring of any labourer or for the performance by an labourer of any labour the wages of such labourer shall be payable

1/ Op. Cit., 1922 - Fin. 1.
2/ Op. Cit., 1926 - Bulg. 1-B.

in legal tender and not otherwise, and if in any such agreement or contract the whole or any part of such wages shall be payable in any other manner such agreement or contract shall be illegal, null and void." 1/

However, a store for the sale of provisions and operated by the employer is permitted under certain conditions.

> "Nothing in this Chapter shall render illegal an agreement or contract with a labourer for giving to him food, a dwelling place or other allowances or privileges in addition to money wages as a remuneration for his services, but so that no employer shall give to a labourer any opium or chandu or intoxicating liquor by way of such remuneration.
>
> "118- (i) Nothing in this Chapter shall prevent the employer, with the approval in writing of the Controller, which may at any time be revoked, from establishing a shop for the sale of rice and provisions generally to his labourers; but no labourer shall be compelled by any contract or agreement, written or verbal, to purchase rice or other provisions at such shop, and no opium or chandu or intoxicating liquor shall be sold at any such shop.
>
> " (ii) Nothing in this chapter shall be held to apply to a toddy-shop licensed, with the approval of the Controller in writing, under the provisions of 'The Excise Enactment, 1923,' but no labourer shall be compelled by any contract or agreement, written or verbal, to purchase toddy at such shop.
>
> " (iii) No employer shall establish or keep, or permit to be established or kept, a shop on any place of employment for the sale of provisions to his labourers otherwise than in accordance with the preceding subsections." 2/

Rather severe penalties are provided.

Some of the French colonies have even more stringent regulations than those just discussed. For example, in French Indo-China

---

1/ Op. Cit., Legislative Series, 1923, F.M.S. 1 (Federated Malay States) and 1923 S.S. 1 (Straights Settlements).

2/ Idem.

it has been ordered that the total amount of the advances shall be repaid by monthly deductions from wages, provided that such deductions shall not exceed one-fourth of the contract work. 1/ North Borneo, though not a French colony, has a similar provision to the effect that "no deduction on account for any advance made shall exceed one-third of the amount actually earned in respect of the month's work." Moreover, no manager, assistant, or overseer shall directly or indirectly traffic under any circumstances with his employees. To an employer, however, upon proof, a certificate of convenience and necessity is issued for the operation of a supply depot with the condition that the prices must have the approval of the Protector.

In the French colonies of Oceania, French Guiana, and New Caledonia the company store is virtually prohibited. Only those company stores operated by producers' cooperatives and observing the following conditions are permitted to function:

> "(1) That the employees are not obliged to buy at the company stores; (2) that the sale of provisions and goods brings no profit to the undertakings; (3) that the company stores are carried on under the supervision of a committee at least one-third of the members of which are elected by the wage-earning and salaried employees of the undertaking." 2/

In New Zealand according to the comparative survey made by the British Truck Committee of 1908, "Such supply goods illegally supplied, and goods supplied, sold or delivered at the shop, etc. of the employer or by his orders is not effective payment. The workman may still recovery his wages when the supply is expressly

---

1/ op.cit., 1927 - Fr. 11-A.
2/ Ibid., 1927 - Fr. 13-A, B.

provided by an exception in the Act, the employer cannot bring an action in respect thereof, nor can the supply be made the subject of a set-off or counter-claim against the workman in an action by him against the employer in respect of his wages." 1/

The Australian provinces of New South Wales and Western Australia have had a similar enactment. 2/ In 1929, the province of Victoria legislated to the same effect. 3/ The Canadian province of British Columbia also has had effective legislation for many years. In case of workmen generally "advances to which the workman is entitled are not to be withheld or subject to deduction of poundage, discount, interest, etc." However, in the case of urban workmen, "Payment in goods is prohibited, and of no effect. Goods, board or lodging cannot be the subject of an action by the employer and cannot be set off against a claim for wages. There are, however, special exceptions permitting the supply of the following: Medicine and medical attendance, fuel, provender for cattle used in work, tenements, materials, tools and implements used by miners, fishers, and loggers, and the boarding and lodging, in company's boarding cars, of workmen constructing or repairing railways." 4/

Mention should also be made of the legislation in two South American countries. In Chile the attempt to control the institution has taken the form of prohibiting collection over payroll and of ruling that "Trade shall be free within the limits of the

---

1/ Op. Cit., p. 95.
2/ Ibid., pp. 96-97.
3/ International Labour Office, Legislative Series, 1929-Austral. 13.
4/ Report of the Truck Committee, 1908, p. 410.

workers' villages connected with nitrate undertakings and mining and industrial establishments, provided that persons carrying on trade shall comply with the rules respecting registration and inspection laid down by the regulations." Stores maintained by the undertaking for the convenience of their workers (pul Perias) are not outlawed, but the sales price must not exceed the cost of each article, including the cost of transport and the value of any wastage, plus an allowance not exceeding 10 per cent for expenses of management." The Venezuelan Act pertains a mine workers and is of that type which limits the percentage of the wage liable to deduction. It stipulates that "the wages, salary, or other remuneration of a worker shall not be liable to attachment beyond one-third thereof." 1/

1/ Op. cit., 1924 - Chile 2 and 1925 - Ven. 1

COMPANY STORE ACTIVITY AS REVEALED BY FIELD INVESTIGATION

In conducting the field investigation on the implications of the use of company scrip and other forms of company store credit, detailed inquiries were made into the conditions which prevail in the ten eastern states in which company stores are most numerous and the use of scrip as a form of wage payment, most common. 1/

Very early in the investigation a number of questions emerged which tended to define the course of the field inquiry. Among such questions were:

(1) Does the use of scrip extend the employer's control over the laborer to a degree not common When a more conventional wage system is used?

(2) Are the prices charged by the company store higher than those charged by neighboring independent stores?

(3) How does the company store affect the interest of labor and of independent merchants?

In the conduct of the study, an effort was made to answer specifically the above questions, and in general to gather sufficient information to enable the committee to arrive at an appraisal of the appropriateness of scrip and other charge over payroll arrangements.

An individual questionnaire and complete information on policies and prices were compiled for 150 commissaries and 100 neighboring independent stores. 2/

1/ The investigation was conducted in Alabama, Arkansas, North and South Carolina, Georgia, Kentucky, Pennsylvania, Tennessee, Virginia, and West Virginia.

2/ Six investigators made the inquiry. They included: Daniel Creamer, R. A. Neary, Collis Stocking, and the three members of the Committee, C. B. Fowler, Daniel Bloomfield, and H. P. Dutton.

More cursory investigation was made of an additional 35 commissaries selected at random to verify the representativeness of the commissaries for which more detailed data were compiled.

The material collected by the above procedure was generously supplemented by information collected from other sources. The Birmingham hearing elicited a great volume of evidence which, although highly controversial in character, was very suggestive and helpful to the investigators. Subsequently, commissary and independent store managers, labor leaders, and the laborers themselves were interviewed in all communities visited by the investigators.

In view of the great similarity in the method of using scrip and in its social and economic effect, and in view of the repetitious character of community appraisal of the practice, the investigators are convinced that the problems arising out of the use of scrip and pertinent to the question at hand vary not significantly from industry to industry and community to community. The Committee believes that on the points investigated a representative sample of data has been secured.

A summary of the findings of the field investigators is set forth in the following sections:

(1) Compulsion

The question as to the effect of the use of credit based upon charge over payroll (in the form of scrip or otherwise) upon the freedom of labor has been so energetically debated that it has been regarded as meriting special consideration in the present study.

Public sentiment opposes any compulsion on employee to trade at the company store. Some cases of compulsion or intimidation were found, but these were exceptional. (Arkansas, South Carolina, Kentucky, Tennessee, West Virginia.)

Cases of energetic solicitation of patronage by the commissary manager with the insinuation that a man should trade with the employer who gives him a job were found. In some such cases the difference between defensible business practices and coercion is indistinguishable; whether or not the company would discharge the laborers if they refused to deal with the company store is of no importance so long as the laborers interpret the insinuations as a threat to their jobs and are afraid to deal elsewhere. Moreover, the necessities of an impoverished or improvident employee may be as effective as coercion would be in causing him to trade at the company store, where alone he can secure an advance against his pay.

Frequently the time that is allowed to elapse between one pay day and the next is disproportionately long relative to the low wages paid. In some cases wages are paid twice a month: for example, on the nearest Saturday to the 15th and 30th of the month. This means that should operation be continuous through the year, which would be rare, at least four times during the period the laborers would have to wait three weeks between pay days. Coupled with this schedule of pay days is the practice of holding back the entire amount earned during one pay period in order, it is alleged, to allow adequate time for compiling the payroll. This means that

a laborer who starts to work on the first of the month is bound to go at least four weeks, and in some cases five weeks, before receiving any cash. Under the circumstances, if a laborer is able to pay as he goes during the first long wait, it is extremely unlikely that after deductions are made as a matter of custom for house rent, fuel, lights, insurance, hospital, and doctor, he will be able to finance the next period which will elapse before he again is paid. His only recourse is to apply for scrip or credit on wages already earned, and in return agree to have the company deduct such amounts from his pay envelope before he receives it. When such an arrangement prevails, the employer, in conformity with good business principles, is loath to extend credit that is to be utilized for the advantage of his competitor, and as a general rule it is necessary for a wage earner to trade his credit wages for provisions at the commissary of the employer.

It is customary to maintain the same wage-payment schedule whether or not the industry is operating regularly. When working time is curtailed to from one to three days a week and wage payment is held back as much as two weeks, the workers cannot avoid dependence on credit.[1/] Frequently the investigators witnessed the spectacle of miners emerging from the mine, proceeding directly to the commissary, and waiting in line for the payroll to arrive. As soon as each miner's record was checked, the miner received his total

---

1/ In the Textile Industry wages are customarily paid every seven days, with one pay period held back. This system tends to ameliorate some of the worst effects of scrip, but when irregularity of operation is considered, the distinction between the effect of the use of scrip in the Textile Industry and other industries becomes largely a matter of degree.

earnings in scrip, which he immediately exchanged for groceries.

In some instances commissary managers explained that a number of laborers were in perpetual debt to the commissary. In such cases if these laborers ever receive any cash it is at the discretion of the management. In one plant it was claimed by the laborers that there were three workers who had not received any cash in the last fifteen years (South Carolina). One case was encountered in which the company had not even gone through the formalities of having a cash pay day in the last two years (West Virginia).

The practice of charging all the laborer's expenditures from his wages before he receives them tends to render it impossible for the laborer to establish any credit contacts outside his employment. Independent merchants cannot reasonably extent credit on the secondary claim to the wages earned. In event of a labor dispute the employer has the power to discontinue wages entirely, and as an added weapon he may render it impossible for the laborers to receive what credit their reputation for diligence and honesty might assure them under other circumstances. 1/

It is difficult at times to distinguish between compulsion which determines where an individual shall buy and compulsion which determines what he shall buy. It is interesting to note in this connection that in some sections of the country one of the most frequently expressed defenses made of the use of scrip is that with-

1/ On one occasion a union official reported the use of scrip as a weapon for fighting the union (Virginia). He held that when the men were working part-time, and consequently handicapped in securing adequate provisions, company officials would point out to the men individually that if they should withdraw their union cards they would thus save $1.00 a month, (the amount of union dues) and at the same time be in a much more favorable position to receive scrip on the credit from the company.

out its use the laborers would squander their wages for liquor or poolroom entertainment, or spend it with crooked peddlers, or lose it in gambling.

While a certain measure of control is doubtless made possible by the mere fact of the close connection between the company store and the operating company, the possibility of extending such control is increased by present credit practice. With a large proportion of the laborers forced by circumstances to use some form of credit, the books of the company immediately reveal the total wages received by each individual and the exact amount spent at the commissary. This is particularly true in cases, which are not at all rare at present, where 98 to 99 per cent of the commissary business is done on a scrip or credit basis.

(2) Prices

The institution of credit based upon charge over payroll has been subjected to the charge that it is a device for reducing the laborers' real wages by charging exorbitant prices for the merchandise.

In investigating this complaint a detailed study was made of the prices charged by 102 representative commissaries and 85 independent, privately owned stores. In a vast majority of the cases the prices charged by a commissary were compared with the closest independent competitor rendering comparable service, such as extension of credit, delivery of merchandise, etc. in order to take into account any unusual business expenses which might occur because of location or other reasons.

The list of commodities for which prices were obtained by the Committee were taken from the Coal Commission's study of 1922. This earlier study included in its list those products which were most appropriate, because of their importance in consumption habits of the laborers who depended on the commissaries. In the Committee's study certain items were eliminated because their relative unimportance did not seem to justify the expense of tabulation. Other variations were made in the list from time to time, due to the highly seasonal character of some of the products. Scrupulous care was exerted to take into account variations in trade brands and quality and in instances where insufficient data were obtainable, or where any doubt arose as to comparability of brands or grades, the items involved were eliminated.

In view of the fact that the investigators found so little difference in the general character of commissaries operating in different industries, a geographical rather than an industrial grouping has been employed in analyzing the data. It happens, however, that in North and South Carolina, only commissaries connected with the Textile Industry were visited. The price studies of other sections include for the most part, prices prevailing in commissaries connected with coal mining, although the prices charged by a few commissaries in the steel, lime, and lumber industries have been included.

The accompanying tables summarize the price data which were collected. In the opinion of the investigators, the most reliable and suggestive summary figure is the one arrived at by

weighting the average prices charged by the commissaries and the independents by the relative importance of the different items in the dietary habits of the consumer as determined in 1922 by the study made by the Coal Commission. In order to analyze the data for sections not covered by the Coal Commission, the weights of those geographical areas which appear to be most appropriate, due to similarity of the habits of the people, have been employed. Thus the Connellsville weights were used for Marion County, West Virginia; the New River weights were used for Mingo and Logan Counties of West Virginia, and also for eastern Kentucky, western Virginia, and eastern Tennessee. Alabama weights were used for North and South Carolina. 1/

The average commissary and independent store prices were multiplied by the appropriate weights. The resulting figures were totaled and the percentage difference in these totals was calculated. By this method it is possible to arrive at a figure which indicated the average difference in prices charged according to the relative importance of the various commodities in the diet of the laborers and their families.

It will be noticed that the average prices charged by the commissaries, for all the items weighted and collectively considered, were higher than those charged by independents in every area studied. The range of difference varies from 2.1 per cent in the case of Vir-

1/ For the method by which the Commission arrived at these weights, see the U. S. Coal Commission report, op. cit., pp. 1575-78. The investigators have found that precise accuracy in the weights is unimportant. It is sufficient that the weights give approximately the correct ratio of any one commodity to the total of all commodities consumed.

99-16224

TABLE I

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND IN NEIGHBORING INDEPENDENT STORES

District	Number of Stores Reported (a)		Aggregate of Weighted Average Prices		Percentage Difference Above or Below (-) Independent Store Prices	Number of Commodity Prices in Company Stores		
	Company Stores	Independent Stores	Company Stores	Independent Stores		Higher than in Independents	Lower than in Independents	Equal with Independents
Alabama (Birmingham District)	14	14	44.215	41.740	5.9	26	0	3
Eastern Kentucky (b)	9	7	44.812	41.604	7.7	27	1	3
South Carolina:								
No. 1	7	6	45.071	44.032	2.3	16	1	2
No. 2	8	8	40.432	39.017	3.6	25	5	3
Eastern Tennessee	6	4	34.755	31.463	10.4	16	0	4
Western Virginia	11	11	42.771	41.870	2.1	26	4	2
West Virginia								
Fairmont District	10	10	17.703	16.942	4.5	28	2	1
Kanawha and New River	28	15	42.369	40.517	4.6	34	2	1
Mingo District	10	10	27.079	25.283	7.1	27	1	4

(a) This represents the highest number of quotations from any one item in each sample.

(b) Price quotations in sample 1 were taken during the period, June 22-27, 1934; in sample 2 the quotations were taken during the period, July 28-31, 1934.

ginia, to 10.4 per cent in the case of Tennessee. In other words, a laborer who buys all his food at a commissary in the Virginia area studied would on the average pay 2.1 per cent (in Tennessee, 10.4 per cent) more for his food supply than if he bought the same commodities at a neighboring independent store. 1/

Economic and Social Implications

In cases where an employer operates a commissary, this difference in prices indicates that besides using his position as an employer, he is also conducting a retail business and is in effect using his dual enterprises to reclaim wages that otherwise might be retained by the laborers.

The same result is frequently achieved by selling the commissary rights to outsiders for a percentage return on the sales made for scrip or other types of credit. While the contractual arrangements entered into with outsiders with regard to the commissary concession, with exclusive privileges of issuing "charge over payroll credit" are not uniform, in the cases investigated the payments to the operating company vary from 5 to 10 per cent of the sales made on such credit.

There are many variations from the exclusive proprietary and concessionaire commissaries. It is not uncommon for the company to operate a commissary and issue "non-negotiable", "non-

1/ Although many commissaries are members of commissary chain, the comparison as stated above was made primarily with independent store prices. A limited study of chain store prices indicated that if chain stores had been included, the difference in prices would have been larger.

transferable" scrip and then arrange to accept such scrip at its face value from anyone who may present it in exchange for commodities. In such cases, independent merchants frequently accept scrip for staple products which yield a substantial profit and then sacrifice a part of this profit by exchanging the scrip at the commissary for tobacco and other low profit commodities which they intend to sell later for cash.

A number of cases were found in which the operating company followed the practice of redeeming the scrip from independent stores at a discount of from 5 to 20 per cent (Alabama, Kentucky, West Virginia). When this practice prevails, independent stores may maintain two sets of prices: one a cash price and the other a scrip price, with the former averaging from 10 to 15 per cent lower than the latter. In spite of the loss involved, many of the laborers prefer to discount their scrip and trade with independent stores.

A few instances were found in which the operating company did not maintain a commissary at all but allowed its scrip to be accepted by all the independent stores in the community (Alabama, Kentucky). In some such cases the independent stores accept the scrip at its face value and redeem it in cash with the issuing company at a discount, ranging from 5 to 10 per cent. In one community this practice was so well established that scrip was readily accepted even by the wholesale and jobbing houses located in the region (Kentucky). 1/

1/ When the issuing company permits outsiders to accept scrip and then redeem it in cash at a discount, either at a regular rate or in the form of higher prices, the burden may be to some extent divided between the laborers and the community at large. But in any event it is fairly obvious that the company is using its position as an employer to levy a charge against the community.

In practically every community visited, another type of scrip discounting was found. Regardless of the completeness of the service rendered by a well-stocked commissary, there are certain services which the commissary does not customarily supply the laborers. Included among these are medical services, services of a garden plowman, payment of labor organization dues, of insurance premiums, etc. In order to secure funds for these purposes it is customary for the laborers to discount scrip for cash at a loss, which varies normally from 15 to 25 per cent and occasionally more. In some communities the traffic in scrip is casual or incidental in nature, while in others, it is regular and considerable in amount. In some of the latter cases, better paid employees make it a regular practice of taking advantage of the improvidence or misfortune of their fellow employees and, by buying scrip, manage to secure the bulk of their provisions at a substantial discount (Alabama, North Carolina, South Carolina). 1/

It is the conviction of the investigators, based upon the information gathered, that only a relatively small amount of scrip is currently issued for unearned wages. When scrip is thus issued it cannot be rightfully regarded as an act of charity. 2/ An employer who anticipates a resumption of operations in the near future,

---

1/ Where discounting is actively discouraged by the store, employees in need of cash draw as much as they can of their pay in cigarettes, sugar, or some other marketable commodity and sell it, usually at an even higher discount. Legislation aimed to prevent discounting might furnish some measure of protection to the employee but would not remove the condition which impels him to sacrifice from 15 to 20 per cent of his pay as compared to what he could get my waiting two weeks.

2/ There are some exceptions to the above rule. Some employers have assumed a great responsibility toward their employees and have been generous in the extreme.

has a business interest in keeping his labor force intact. He is always in a reasonably good position to determine to just what extent he can afford to continue to advance credit profitably. Losses on this account have been surprisingly small even during the past few uncertain years. 1/ One case was encountered in which the employing company had advanced scrip to the amount of approximately $100,000 and collected back out of wages, the whole amount with the exception of $66.00 (Alabama). This was a small price for maintaining a labor force during a period of an unusually long shut-down. 2/

The argument that a larger number of days' hold-back of wages, is necessary in order to permit the compiling of the payroll, seems untenable. 3/ In a vast majority of the cases investigated, the payroll was calculated every day and the laborer was restricted in the amount of scrip he could draw, which was not to exceed his day's

---

1/ See section below entitled: "Analysis of Questionnaire".

2/ The company does not always accept responsibility in making relief advances. One case was encountered in which the employing company was not operating regularly and many families were destitute. Federal relief was asked for and after much difficulty, 16 families were placed on the rolls. The local union arranged with the company store to supply food for the other unfortunates. In the arrangement, the store manager demanded that the bill must be paid by the employees, within 60 days, and in case some could not meet their obligations, the local union would have to take the responsibility and settle all the debts within 60 days. The families on relief were allowed $1.00 to $1.50 per week (West Virginia).

3/ In the railroad industry, with a large number of employees scattered over a much wider territory, it is found possible to compile the payroll with much greater promptness than in many other industries investigated. "Wages are paid by all these railroad systems (Southern Railway, Chesapeake and Ohio, and the Seaboard Air Line Railway) to their employees, every two weeks, and there is no hold-over period except for the few days required to effectuate the necessary accounting (which is believed to be less than a week in all instances)." Memorandum of Fitzgerald and Company.

earnings. In one case, scrip was written out and signed every day, whether or not the laborer called for it. If he allowed his scrip to accumulate unclaimed until pay day, (at least two weeks hence) he could receive the total value of such scrip in cash. If he so chose, he could receive cash immediately for the scrip to his credit, by accepting a 10 per cent discount from the company (Alabama).

The investigators concluded that geographical isolation is no longer typical of the company store. The questionnaire gives a representative cross-section of the facts in this regard, and the findings of the investigators agreed with the results of the questionnaire.

While there are many coal "creeks" and some mill towns in which the company stores, of one or several companies, are the principal source of supply for the community, there are few communities which are not also supplied with independent stores. Good roads, the prevalance of automobiles and local "taxi" service and delivery service by independent stores, are other means by which the factor of isolation has been made less important. The contention that the company store is a necessity to the community, no longer has the force it possessed before recent advances in transportation and communication.

It is believed by many of those who operate company stores, and the industries to which these stores are an adjunct, that large numbers of the unskilled classes of employees are unable effectively to order their own affairs and that the close supervision and control of credit exercised by the company store, serve to prevent the impul-

sive or foolish squandering of the worker's wages. It is unquestionably true that many workers are illiterate and inexperienced in the handling of their money. The irregularities and vicissitudes of employment which characterize many industrial operations in the best of concerns and which were doubly severe at the time this investigation was made, certainly impose upon the employee a burden which he cannot carry without the help of the employer, the State, or some other agency. From the standpoint of the employer, some provision for enabling his employees to bridge the gaps of unemployment is the necessary price of maintaining a stable and competent working force. Undoubtedly many employers regard this obligation not only as a business necessity, but as a moral responsibility, which they faithfully discharge to the extent of their resources.

The assumption of a paternalistic responsibility carries with it, however, certain implications, among which, in the judgement of this Committee, is a responsibility to see that the employee who confides in this responsibility, receives treatment at least equal to what he would receive from those professing no such restraining relationship.

There is room also for question as to the social desirability of extending a paternalistic relationship beyond the minimums unavoidable in the situation. The system of credit tends toward a minute supervision over the economic affairs of the employee. The employee who surrenders the management of his affairs to the employer is denied to that extent responsibility which educates him in self-reliance and economic competence.

Undoubtedly such education in self-reliance should be a gradual rather than a sudden process, but that fact is not an argument for the indefinite postponement of the beginning of the process. The intimate relationship between economic independence and competence constitutes a potent argument for the social and economic desirability of such a process of education by experience.

It is inevitable that, where a free choice is not afforded, the chooser will claim excessive prices and discimination, even though they do not really exist, and will exaggerate such inequalities. The observations of the Committee indicate that many features of company store operation most frequently objected to in the past, are no longer as common, or as severe, as they once were. In some industries, collective agreements afford the employees a protection which some believe to be adequate so long as these agreements are in force. 1/

On the other hand, the Committee found numbers of workers who regard the company store with fear and suspicion, complained of high prices, of poor quality, and of arbitrary treatment. 2/ The attitude toward the store varied from cummunity to community. Many stores have the confidence of practically all the employees; of others, the reverse is true.

1/ Letter from U.M.W.A.

2/ The community appraisal of the company store is revealed in many interesting ways. Many laborers trade regularly with the commissary with satisfaction and no inclination to trade elsewhere. There are other laborers who resent the commissary and who will suffer great inconvenience to avoid patronizing such a store. The attitude of certain laborers is indicated by the vivid terms which have been coined for describing the commissaries. In regions where they exist, it is not unusual to hear them referred to as "gip-me-stores", "pluck-me-stores", "gip-joints", and "robbersaries". Similarly, the scrip is commonly referred to as "clackers", "lummies", "jay-flips", "doollums", and "dugaloos".

The company store, as compared with the average independent in the small community, can usually buy in larger quantities and enjoys a better credit rating and the protection of larger financial resources. The right of collection over payroll reduces its credit losses even in bad years, to small dimensions. It usually enjoys a preferred location on company property, and is convenient to the employee. It has special advantages of acquaintanceship, and of support and advocacy by the officials of the operating property. With all these advantages, over the independent, which should insure a profit where the independent shows a loss, if the efficiency of operation is comparable, there seems to be no reason why the company store should fear to meet the independent store in free competition. Such competition seems to furnish the only possible check on the tendency, still manifest in many company stores, to maintain their food prices higher than those of independent stores.

In concluding this section of the report, it is probably fitting to point out that some of the features of the company store system are inconsistent with policies by the National Recovery Administration. Through the use of scrip and other credit devices, in conjunction with prices established in the company store, it is possible for the operator to substantially invalidate wage provisions and agreements included in the codes. 1/

1/ One dealer explained that if nothing was done to limit the activities of the company store, a number of the lumber companies had decided they would reestablish commissaries in order to offset the increase in wages which had resulted by the minimum wage laws (Alabama).

By its control over the expenditures of its laborers, the company operating a commissary may substantially limit the protection which competition might afford the consumer. Such a limitation upon the possible effect of competition seems to be in sharp conflict with the principles of fair competition advanced by the Consumers' Advisory Board for the protection of the consumer.

Analysis of Questionnaire

In the early part of August, about 4,000 questionnaires were sent to the industrial establishments that comprise the mailing lists of the National Coal Associations, the National Lumber Association and the Mill Stores Committee of the American Cotton Manufacturers Association and the National Industrial Stores Association. This procedure of circularization involves some duplication and therefore makes difficult the calculation of the coverage of this questionnaire. Because of the necessity of completing the report at an early date, only those questionnaires which were received by the Bureau of the Census prior to September 6 were tabulated and analyzed. On that closing date, 1,575 questionnaires were returned, of which 961 were found to be usable, while 576 contained some statement to the effect that they never have operated a company store or that they did not now operate one. The remaining 38 questionnaires were not tabulated because they were inadequately filled out. Thus, 38 per cent of all the questionnaires sent out have been accounted for at the closing date.

The Census of Distribution, 1929, reported statistics for 1,338 company stores distributed among 36 states. This enumeration seems an understatement since the National Industrial Stores Association, a trade association devoted to the interests of the company store, claims a membership of more than 1,500. The number of company stores in the United States may be conservatively estimated at 4,000. Accordingly, the sample here analyzed represents some 24 per cent of the total number of stores.

Of the 961 stores, 68.5 per cent serve the bituminous coal industry; 16.7 per cent are operated by the lumber industry; and 9.5 per cent, by the Southern textile industry. Four per cent of the stores are distributed among the anthracite coal, copper mining, and iron and steel groups. The remaining percentage, 1.3, is accounted for by a miscellaneous group composed of heavy chemicals, naval stores, and brick-making enterprises. Twenty-eight states, exclusive of those allocated to the category of "all others," are represented (See Table II).

The returns from the bituminous coal fields were concentrated in the states of West Virginia, Pennsylvania and Kentucky. In each of three other states producing bituminous coal - Alabama, Virginia and Tennessee - the returns represent a little over one per cent of the total number of 658. This total compares fairly well with the 839 company stores recorded in the Keystone Coal Directory, 1932.

The returns for the lumber industry are rather evenly distributed among 16 states. The total of 161 is to be compared with the 296 returns from 28 states submitted to the National Lumber Manufacturers Association in its survey.

The 91 textile commissaries that reported are all from southern states, chiefly from South and North Carolina and from Georgia. The sample used by the Mill Stores Committee of the American Cotton Manufactures Association, and upon which its brief to this Committee is based, is 67 commissaries or company stores.

The population 1/ served by this sample of 961 stores in about one and one-half millions. This estimate is arrived at by use

---

1/ Statistics concerning company store activities are for 1933 unless otherwise stated.

TABLE II

DISTRIBUTION OF 961 COMPANY STORES BY INDUSTRY AND BY STATE, 1934

Industry and State	Number of Stores	Percentage of Total	Industry and State	Number of Stores	Percentage of Total
Anthracite Coal	10	1.0	Lumber	161	16.8
Pennsylvania	10	1.0	Alabama	7	.7
			Arkansas	9	.9
Bituminous Coal	658	68.5	California	16	1.7
Alabama	37	3.9	Florida	8	.8
Colorado	5	.5	Idaho	4	.4
Illinois	4	.4	Kentucky	4	.4
Kentucky	100	10.4	Louisiana	17	1.8
New Mexico	5	.5	Michigan	7	.7
Ohio	9	.9	Mississippi	6	.6
Pennsylvania	161	16.8	Oregon	16	1.7
Tennessee	13	1.4	South Carolina	4	.4
Utah	6	.6	Tennessee	3	.3
Virginia	33	3.4	Texas	19	2.0
Washington	6	.6	Washington	12	1.3
West Virginia	263	27.4	West Virginia	12	1.3
Wyoming	8	.8	Wisconsin	4	.4
All Others	8	.8	All Others	13	1.4
Copper	4	.4	Textile	91	9.5
All	4	.4	Georgia	19	2.0
			North Carolina	23	2.4
Iron and Steel	24	2.5	South Carolina	43	4.5
All	24	2.5	All Others	6	.6
			Miscellaneous Industries	13	1.4
			All	13	1.4

of the employment data of the parent company that were reported by the questionnaire. The number of employees on the payroll of the parent company on the fifteenth of March, June, October and December was requested. The highest of these quarterly employment figures on each questionnaire was aggregated and the resulting total 329,944 multiplied by five to obtain a rough estimate of the size of the community served. Although the size of the family in regions where the company stores are prevalent is probably well in excess of five, nevertheless it may be regarded as a reasonable multiplier since it is common for more than one member of the family to work for the same employer. Thus, if the estimate of the total number of company stores be accepted and if the increase in the number served by proportionate to the increase in the number of company stores, the welfare of upwards of 6,000,000 people are affected by company store activities. This may serve to indicate the importance of the problem presented by the company store.

The relationship between the company store and the parent company are of three types. The store is either operated as a department of the parent company or as a subsidiary corporation or is owned by persons not connected with the parent company but who have a contract with the latter in order to secure the right of collection over payroll. The store operated as a department of the parent company is the most common type of relationship in the chief industries operating company stores. In the bituminous coal industry the percentage of such stores to the total serving the industry is smaller than the similar percentage in the lumber and textile groups. Of the Pennsylvania stores reporting 41.5 per cent are operated as subsidiary corporations.

TABLE III

PERCENTAGE DISTRIBUTION OF 961 COMPANY STORES BY TYPES OF STORES CLASSIFIED BY INDUSTRY, 1934

Industry	Parent Department	Company Subsidiary	Privately Owned	All
Anthracite Coal	72.4	15.7	11.9	100.0
Bituminous Coal	66.0	20.6	13.4	100.0
Copper	25.0	75.0	-	100.0
Iron and Steel	91.6	4.2	4.2	100.0
Lumber	93.0	3.8	3.2	100.0
Textile	80.7	2.3	17.0	100.0
All Others	76.9	7.7	15.4	100.0

Thirty-four per cent are privately owned and under contract and 24 per cent are operated as departments of the parent company.

Information on the proximity of competitors was requested in order to determine the validity of the argument that company stores are necessary because they serve isolated communities. Of the 951 stores supplying this information, 55 per cent indicated that they have competitors within half a mile; almost three-quarters, or 72 per cent, are located within one mile of the company store. An additional 12 per cent are 1.1 to 2.0 miles distant and 95 per cent are within a radius of 5 miles. It is the observation of the field investigators that, if an independent store is within five miles of the company store, the community so served can not well be considered isolated, especially in view of the independent's willingness to deliver merchandise over unimproved roads to sparsely settled camps. Of the 51 stores beyond the five-mile radius, 39, or 63 per cent, serve the lumber industry which by its very nature would involve considerable isolation.

In the bituminous coal fields the distribution of company stores by distance from nearest competitor is similar to that for all stores. In the lumber group, however, there is evidence, as indicated above, of greater isolation. But even in this industry, 50 per cent of these stores have competitors within one mile, and in only 20 per cent of the cases the nearest competitor is over 5 miles distant. Among the stores of the cotton mill villages, there is little evidence of genuine geographic isolation, for 71 per cent have

TABLE IV

PERCENTAGE DISTRIBUTION OF 951 COMPANY STORES

BY SPECIFIED DISTANCES FROM INDEPENDENT STORES, 1934

Industry	Percentage of Company Stores Having Competitors				
	0.0 - 0.5 Miles	0.6 - 1.0 Miles	1.1 - 2.0 Miles	2.1 - 5.0 Miles	Over 5 Miles
Anthracite Coal	54.8	16.9	11.8	11.2	5.3
Bituminous Coal	57.2	18.3	12.3	10.1	2.1
Copper	100.0	-	-	-	-
Iron and Steel	45.8	16.7	16.7	20.8	-
Lumber	35.2	15.1	12.6	17.0	20.1
Textile	71.1	13.3	6.7	5.6	3.3
All Others	83.3	8.3	-	-	8.4

competitors within half a mile, 84 per cent within a mile and 91 per cent within two miles. Three per cent have competitors more than five miles distant.

That the qualifying adjective "company" in the phrase "company store" is appropriate becomes evident on examination of the percentages of all sales made to employees of the parent company. In reply to this question 926 answers were received. Of this total, 12 per cent reported that all their sales are made to the workers of the parent company; 45 per cent reported that purchases by parent company employees constitute from 95 to 99.9 per cent of their patronage, and in 18 per cent of the stores, purchases made by parent company workers comprised from 90 to 94.9 per cent of their total sales. Thus, 75 per cent of the stores transacted only 0 to 10 per cent of all their retail business with outsiders; i.e., non-parent company employees. In the bituminous coal group, 82 per cent of the stores had percentages of sales to outsiders in the same percentage range. In the iron and steel group, the percentage of stores falling in this range was somewnat higher, 86; and in the textile somewhat lower, 71. However, of the stores serving the lumber industry only 49 per cent come within this range.

The restriction of the great bulk of company store patronage to parent company employees may be due to one or all of several considerations. It may well be in not a few communities that the sole source of employment is one industrial enterprise in which case almost every one in the community is either an employee of the parent company

TABLE V

PERCENTAGE DISTRIBUTION OF 926 COMPANY STORES ACCORDING TO SALES MADE TO COMPANY EMPLOYEES AS PERCENTAGE OF TOTAL ALL SALES IN 1933

Industry	Number Stores Reporting	Percentage of Company Stores Making Specified Percentage of Sales to Company Employees							
		100.0	95.0-99.9	90.0-94.9	80.0-89.0	70.0-79.9	50.0-69.9	25.0-49.9	Under 25.0
Anthracite Coal	10	30.0	50.0	10.0	-	-	-	-	10.0
Bituminous Coal	642	13.1	50.5	18.2	11.1	2.8	2.6	.2	1.5
Copper	4	-	-	25.0	-	-	25.0	25.0	25.0
Iron and Steel	22	13.6	38.2	4.6	4.6	4.5	-	-	4.5
Lumber	152	7.2	23.0	18.4	17.1	16.5	12.5	3.3	2.0
Textile	84	13.1	39.3	19.0	16.7	9.5	-	1.2	1.2
Miscellaneous	12	16.7	16.7	8.3	25.0	8.3	16.7	-	8.3
Total All	926	12.3	44.7	17.8	12.4	5.7	4.2	.9	2.0

or a member of the employee's household. Another factor may be the point that other than workers are free to trade at several stores and therefore refrain from trading at a company store where prices may be higher and service inferior than in neighboring independents.

A somewhat similar picture is presented by the statistics on the percentage of total sales made for cash. For the 954 stores reporting this item, 68 per cent transacted from 0 to 10 per cent of their sales in cash, and 11 per cent, from 10.1 to 15 per cent. Only 2.5 per cent of the stores have cash sales greater than 50 per cent of their volume. The residual percentages of all business, obviously, are carried on either by some form of scrip or by open-charge account.

Of the stores in the bituminous fields, 82 per cent have cash sales as high as 10 per cent of total business and in the 24 stores operated by the iron and steel industry 79 per cent have cash sales within this range. In the cotton mill villages and lumber camps, the percentage of stores have a cash business of 10 per cent or less is 32 per cent and 37 per cent, respectively.

TABLE VI

PERCENTAGE DISTRIBUTION OF 954 COMPANY STORES WITH SPECIFIED PERCENTAGE OF CASH SALES TO TOTAL OF ALL SALES, 1933

Industry	Number of Stores Reporting	Percentage of Company Stores Making Specified Percentage of Cash Sales to Total Sales					
		0.0-5.0	5.1-10.0	10.1-15.0	15.1-20.0	20.1-50.0	Over 50.0
Anthracite Coal	10	90.0	10.0	-	-	-	-
Bituminous Coal	655	56.0	25.8	9.3	4.9	3.4	.6
Copper	4	-	25.0	-	25.0	50.0	-
Iron and Steel	24	62.5	16.7	8.3	4.2	4.2	4.1
Lumber	158	18.4	13.3	17.1	13.9	29.1	8.2
Textile	90	23.4	13.3	14.4	13.3	30.0	5.6
Miscellaneous	13	7.7	7.7	15.4	15.4	38.4	15.4
Total All	954	46.3	21.9	11.0	7.3	11.0	2.5

The amount of merchandise sold on lease or installment account is a relatively small percentage of the total sales of the 917 company stores reporting this information. Of this number, 31 per cent report no such sales; 49 per cent report that such sales comprised from 0.1 per cent to 10 per cent; and 14 per cent report that such sales comprised 10 per cent to 20 per cent. The distribution of the company stores of each industrial group among the percentage classifications is quite similar to the distribution for all stores. The only exception is the cotton mill stores. While 38 per cent report that they have no lease or installment sales, only in 22 per cent of the stores do such sales amount to 0.1 to 10 per cent of all sales. As many as 19 stores, or 22 per cent of the 86 mill stores, have lease sales amounting to more than 20 per cent of all sales.

TABLE VII

PERCENTAGE DISTRIBUTION OF 917 COMPANY STORES WITH SPECIFIED PERCENTAGE OF INSTALLMENT SALES TO TOTAL OF ALL SALES, 1933

Industry	Number of Stores Reporting	Percentage of Company Stores Making Specified Percentage of Installment Sales to All Sales			
		0.0	0.1-10.0	10.1-20.0	Over 20.0
Anthracite Coal	-				
Bituminous Coal	627	22.0	56.8	15.5	5.7
Iron and Steel	22	38.1	52.4	9.5	-
Lumber	157	61.8	30.6	5.7	1.9
Textile	86	38.4	22.1	17.4	22.1
Total All	917	31.0	49.0	13.6	6.4

This evidence indicates that with the possible exception of textile mill stores, little weight is to be attached to the argument advanced by company store operators that price comparisons should take

into account the fact that no carrying or finance charges are made on lease or installment purchases. Since such sales are a small fraction of all company store sales, the above consideration is of negligible importance except in the textile field.

Information was sought on the issuance of scrip and the use of open-charge accounts without the use of any form of scrip. Open-charge accounts are the sole form of credit extension in 214 company stores, or 22 per cent of the total 961 stores. Of this number, 71 per cent of the stores issuing credit only in the form of open-charge accounts are in the bituminous fields and Pennsylvania stores account for 70 per cent of the latter total. It is interesting to note that all ten stores operating in anthracite coal communities use only this form of credit. The stores in the lumber group account for 18 per cent of all stores using only charge accounts and the textile group account for four per cent. Since a substantial proportion of the stores (over one-fifth) use only the open-charge account, it is improbable that the sole use of scrip or of charge a accounts makes much difference in the operating cost of the company.

The questionnaire sough a rough indicator of the cost of doing business. To this end, the number of workers employed by each company store was requested; this has been given as of the week of July 9-14, 1934. But in absence of comparable data for independent stores, this comparison had to be abandoned and resort was had to the data in the Census of Distriubtion taken in 1929 which permit a more refined comparison. In this enumeration, statistics on industrial stores (company stores) are presented in Table 5A of Volume I of the

Census of Distribution, p. 68. These statistics are compared with those for country general stores, of which foods average 50-60 per cent, in places under 10,000 population, that are presented in Section D of Table 3 (p. 38) in Food Retailing published in the Census of Distribution as Retail Distribution (Trade Series).

The comparison covers the operating expenses of 1,347 company stores and 58,504 independent general stores. The wage cost (including full and part-time employees and manager-proprietors) as a per cent of net sales for the company stores is 7.6 and for the independent general store, 8.7. All other operating expenses in company stores are 3.7 per cent of net sales as compared with 4.4 per cent in independent general stores. Thus, total operating costs are 11.3 per cent of net sales in company stores and 13.1 per cent in independent general stores. If this comparison be valid, for 1934, higher prices in company stores cannot be justified by claiming that costs of doing business are higher in company stores.

The remainder of the usable items of the questionnaire attempted to elicit information concerning those aspects of company store activity that more directly impinge on employee relationships than those already presented. One of the more important of such items is the percentage of the payroll traded at the company store. The numerator of this ratio - dollar sales to parent company employees - was computed for each schedule by multiplying the total sales for 1933 by the percentage of such sales made to parent company employees. The denominator is the payroll, inclusive of salaries of executives,

of the parent company. The inclusion of salaries that are not traded at the company store minimizes the percentage of the company payroll traded at the company store. It should be realized also that there are other deductions and that the residual percentages are not indicative at all of the amount received in cash.

For the 812 stores that reported both sales and payroll figures, 29.5 per cent of the payroll was traded at the company store. The variations by industrial groups and states are in accordance with non-statistical evidence which tends to lend more weight to these general averages than one might be justified in giving to them. For example, two stores in the anthracite fields report that only six per cent of the payroll is exchanged for merchandise at the company store. It is well known that the anthracite coal seams are adjacent to urban areas and that the anthracite miners are well organized, both of which factors militate against the full development of company stores.

In the Illinois and Ohio coal fields, the miners of which have been better organized than in the newer coal fields, the percentage of payroll commutation is also low, 7.8 and 19.3, respectively. The percentage of the payroll accruing to 562 company stores in the bituminous coal fields is 33.4. The higher percentages are found in the southeastern states of the new competitive field; they are lower in the states of the central competitive field and in the states constituting the western end of the crescent of the new competitive territory.

TABLE VIII

PERCENTAGE OF NON-SCRIP-USING COMPANY STORES USING CHARGE ACCOUNTS TO ALL REPORTING COMPANY STORES

Industry	Total All Stores Reporting	Number of Stores Using Charge Accounts	Percentage of Stores Using Charge Accounts To All Stores
Bituminous Coal	658	153	23.3
Iron and Steel	24	1	4.2
Lumber	161	39	24.2
Textile	91	9	9.9
Total All	961	214	22.3

TABLE IX

PERCENTAGE DISTRIBUTION BY INDUSTRY OF 214 NON-SCRIP-USING COMPANY STORES USING CHARGE ACCOUNTS, 1933

Industry	Number of Reporting Stores	Percentage of Total
Bituminous Coal a/	153	71.5
Lumber	39	18.2
Textile	9	4.2
Other	13	6.1
Total All	214	100.0

a/ 107 of the 153 stores in the bituminous coal industry or 50 per cent of the total of 214 stores that extend credit solely by open-charge accounts are located in Pennsylvania.

TABLE X

PERCENTAGE OF ANNUAL SALES TO COMPANY EMPLOYEES BY 812 COMPANY STORES TO TOTAL ANNUAL PAYROLL OF PARENT COMPANIES IN 1933, CLASSIFIED BY INDUSTRY AND STATE

Industry and State	Number of Stores Reporting	Percentage of Sales to Employees to Total Annual Payroll of Company	Industry and State	Number of Stores Reporting	Percentage of Sales to Employees to Total Annual Payroll of Company
Total All	812	29.6	Lumber	147	33.8 a/
			Alabama	7	39.9
Anthracite Coal			Arkansas	9	63.8
Pennsylvania	2	5.7	California	14	23.0
			Florida	7	40.8
Bituminous Coal	562	33.4	Idaho	3	42.3
Alabama	36	42.9	Kentucky	4	37.6
Colorado	5	37.4	Louisiana	15	57.7
Illinois	2	7.8	Michigan	6	42.2
Kentucky	87	40.8	Mississippi	6	50.5
New Mexico	5	23.8	Oregon	14	18.0
Ohio	7	19.3	South Carolina	4	29.8
Pennsylvania	135	24.0	Tennessee	2	48.2
Tennessee	13	53.3	Texas	18	43.3
Utah	6	32.0	Washington	12	12.9
Virginia	30	44.7	West Virginia	12	43.5
Washington	3	21.0	Wisconsin	4	35.3
West Virginia	219	38.8	All Others	10	41.7
Wyoming	8	29.1			
All Others	6	25.5	Textiles	75	27.2
			Georgia	15	24.4
Copper			North Carolina	22	28.2
All	4	30.8	South Carolina	35	32.2
			All Others	3	13.6
Iron and Steel					
All	12	7.4	Misc. Industries		
			All	10	22.7

a/ If the three Pacific Coast States - California, Oregon and Washington - are excluded, the percentage for the Lumber Industry becomes 46.4.

The 12 returns from the stores serving the iron and steel industry indicate that a moderate percentage prevails. Perhaps it should be mentioned that the inclusion of executive salaries for this sample, which is almost completely restricted to the South, where absentee ownership is prevalent, accounts in part for the low percentage.

For the 147 stores in the lumber group the percentage is 33.8. It is interesting to note that in the three Pacific Coast States, where little or no complaint against the company store has been voiced, percentages are low. If these be excluded, the percentage for the remaining states is 46.4.

The percentage of the payroll received by 75 cotton mill stores is 27.2 with a range from 24 per cent for Georgia to 32 per cent for South Carolina.

Another item pertaining to the relationship of the employees to the parent company and to the company store is the access of the stores to the earnings record of the employees. To this question, 950 stores replied, of which 53 per cent report that they have access to such records. The same percentage is reported for the bituminous group and almost the same percentage figure for lumber; the percentage for the cotton mill stores is somewhat higher, being 61, and for the iron and steel group it is substantially lower, being 18 per cent.

When the procedure is such that the payroll master of the parent company issues a store order to the employee on the company store, there is no need for the latter to have access to the record

TABLE XI

PERCENTAGE OF THE NUMBER OF COMPANY STORES HAVING ACCESS TO RECORDS OF COMPANY EMPLOYEES' EARNINGS TO ALL REPORTING COMPANY STORES, CLASSIFIED BY INDUSTRY, 1934

Industry	Number of Stores Reporting	Number of Stores Having Access to Records of Employees' Earnings	Percentage Having Access To Records of Employees' Earnings
Bituminous Coal	652	342	52.5
Iron and Steel	22	4	18.2
Lumber	160	82	51.3
Textile	91	56	61.5
Other	25	17	68.0
Total All	950	501	52.7

of the employees' earnings, since the payroll clerk may be trusted not to issue an excessive amount of credit to the employee. Also, since deductions from wages for the account of the company store are made by the payroll office, it is an easy matter to ascertain whether an individual employee is bestowing his patronage in sufficient volume upon the company store. Accessibility of earnings records is important only for two reasons: As a check on issuance of credit and on volume of purchases of each employee.

That credit is extended generally with regard to reasonable business considerations and not in the main for philanthropic motives is patent from the data submitted by the company stores. Information was requested on the amount written off as losses on bad accounts and the amount written off as employee relief (other than bad debts) for each year from 1931 to July 1, 1934. Sales for each

year were also requested. However, it was not feasible to tabulate bad accounts and employee relief separately because it was stated on many schedules that the latter could not be separated from the bad accounts. Thus, employee relief in the typical instance is not given as an outright grant, which is the case in other than company controlled towns, but is considered as a credit transaction that the worker is obliged to liquidate when he is again employed. Accordingly, bad accounts and employee relief have been tabulated as one item and only so tabulated when sales for the same period have been reported.

Although the ratio of losses to sales during the last three and a half years has been extremely moderate, nevertheless there is discernible a uniform year-to-year movement in each of the industrial groups. For all the stores reporting this information in 1931 the percentage of losses to total sales was less than one per cent (0.9). As the depression deepened in 1932 the percentage was 1.6. But in the following year with the perfecting of the distribution of governmental relief it seems that the unemployed workers in increasing numbers availed themselves of outright grants resulting in a percentage of losses to sales of 0.9. For the first half of 1934 the percentage was 0.8. Not only is the pattern of year-to-year movement for each industrial group similar but range of variation in each group is almost identical.

The percentages for the first six months of 1934 tend to be minimized by the fact that it is the usual accounting practice to write off losses at the end of the year. This is additional evidence that relief is regarded as an extension of credit. It should be

TABLE XII

RATIO OF LOSSES ON BAD ACCOUNTS PLUS EMPLOYEE RELIEF TO TOTAL SALES OF COMPANY STORES IN 1931, 1932 AND 1933 AND THE FIRST SIX MONTHS OF 1934

Industry and State	Ratio of Losses to Sales				Ratio Of Total Losses to Total Sales 1931-1934
	1931	1932	1933	1934	
Total All	0.9	1.6	0.9	0.8	1.1
Anthracite Coal					
Pennsylvania	1.3	0.9	0.9	0.9	1.0
Bituminous Coal	0.8	1.6	0.9	0.8	1.0
Alabama	1.4	3.1	2.3	0.8	1.9
Colorado	0.6	0.8	0.3	0.1	0.5
Illinois	0.7	0.4	0.8	0.1	0.6
Kentucky	1.2	1.6	0.9	0.4	1.1
New Mexico	0.6	0.4	1.2	0.0	0.6
Ohio	0.3	0.4	0.7	0.2	0.4
Pennsylvania	1.0	2.3	1.0	1.6	1.4
Tennessee	0.8	1.1	1.0	0.8	0.9
Utah	0.6	0.9	0.6	1.9	0.8
Virginia	0.4	0.5	0.5	0.3	0.4
Washington	0.3	0.1	0.2	0.0	0.2
West Virginia	0.6	1.2	0.8	0.5	0.8
Wyoming	0.2	0.3	0.3	0.4	0.3
Others	1.1	0.8	2.6	0.3	1.2
Copper					
All	1.6	1.7	0.8	0.8	1.3
Iron and Steel					
All	0.8	1.3	0.8	0.9	0.9
Lumber	1.0	2.0	1.2	0.7	1.2
Alabama	0.5	0.3	0.6	0.8	0.5
Arkansas	1.3	4.9	2.4	0.6	2.1
California	0.5	0.4	0.5	0.3	0.4
Florida	0.4	1.4	1.0	1.3	0.9
Idaho	0.3	1.4	1.3	0.7	0.9
Kentucky	0.3	0.2	0.2	0.0	0.2
Louisiana	0.8	1.8	0.9	0.5	1.0
Michigan	1.4	1.5	1.6	0.5	1.3
Mississippi	1.2	0.9	0.9	0.8	0.6
Oregon	0.2	0.3	0.4	0.1	0.3
South Carolina	0.3	0.4	0.4	0.0	0.3
Tennessee	0.6	1.1	1.3	0.6	0.9
Texas	0.7	1.1	0.8	0.9	0.8
Washington	1.9	3.0	2.0	1.5	0.5
West Virginia	2.2	5.3	2.3	2.5	3.0
Wisconsin	0.1	0.2	0.0	0.5	0.1
Others	1.2	3.1	1.4	0.5	2.6
Textile	1.4	1.6	1.2	0.9	1.3
Georgia	1.4	1.7	1.3	1.3	1.4
North Carolina	1.2	1.2	1.0	1.1	1.1
South Carolina	1.2	1.4	1.0	0.8	1.1
Others	3.6	3.6	2.4	0.2	2.8
Miscellaneous Industries					
All	0.2	0.3	0.2	0.2	0.3

noted also that some enterprises accumulate doubtful accounts for several years and write them off in a lump sum. The percentage for the year in which this occurs will be relatively large. For this reason the losses for the three and a half years were aggregated and expressed as a percentage of the total sales for the same period. For all stores the percentage is 1.1 and the range of variation by important industrial groups is 1.0 for bituminous coal to 1.3 for the cotton mill stores.

It may be concluded on the evidence of the questionnaire that the issuing of credit by the company stores to unemployed or under-employed workers has not been financially onerous.

Despite the fact that a large part of the worker's purchasing power available for retail purchases is expended at company stores, 328 stores, or 34 per cent out of the total of 961, report that at no time do they supply the customer with any record of his purchases. In the bituminous group, 28 per cent fail to render such records; in the lumber group, 53 per cent; and in the cotton mill stores, 32 per cent. Of the 328 stores that do not issue records of purchases, 57 per cent are found in the bituminous group among which the stores of West Virginia are the most numerous, accounting for 43 per cent of the bituminous group. The stores in the lumber industry comprise 26 per cent of this total and the cotton mill stores, 9 per cent.

Another item concerning the employee relationship is the practice of issuing scrip on pay day. In places where this procedure is followed, it is possible for some of the workers to be chronically

indebted to the parent company and not receive any cash for long periods of time. Accordingly, it is of interest to learn that of the 878 that answered this question 455, or 52 per cent, reported that the operating company does issue scrip on pay day. For the bituminous group, 58 per cent so answered; for those in the limber industry, 39 per cent have reported the existence of this practice, and in the textile group, 35 per cent have stated that scrip is issued on pay day.

TABLE XIII

PERCENTAGE OF THE NUMBER OF COMPANY STORES NOT SUPPLYING CUSTOMERS WITH ANY RECORD OF PURCHASE TO TOTAL NUMBER OF REPORTING COMPANY STORES, 1934

Industry	Number of Stores Reporting	Number of Stores Supplying no Record of Purchase to Customers	Percentage of Stores Supplying No Record of Purchase to Customers
Bituminous Coal	658	187	28.4
Iron and Steel	24	20	83.3
Lumber	161	86	53.4
Textile	91	29	31.9
Total All	961	328	34.1

The parent companies in the bituminous fields constitute 76 per cent of the 455 companies in all industries making use of this procedure, and those in West Virginia comprise 54 per cent of the bituminous group. The lumber companies represent 13 per cent of the total; and the cotton mills, six per cent.

It is manifest that the length of the pay period is related to the company store problem. It is gratifying, therefore, that the

monthly pay period is no longer the prevailing arrangement. In the bituminous industry the code provides for a semi-monthly pay period and all but two of the 658 coal companies reporting have either a bi-weekly or semi-monthly pay period. In the lumber industry the prevailing length of the pay period is bi-weekly or semi-monthly, 68 per cent out of 157 companies paying with this frequency. However, 25 per cent of the lumber companies still maintain a monthly pay period. The common practice in the southern cotton mills is a weekly pay period; only nine per cent of those reporting have a bi-weekly pay period.

TABLE XIV

PERCENTAGE OF THE NUMBER OF STORES ISSUING SCRIP ON PAY DAYS TO TOTAL NUMBER OF REPORTING COMPANY STORES, 1934

Industry	Number of Stores Reporting	Number of Stores Issuing Scrip on Payday	Percentage Of Stores Issuing Scrip On Payday To All Stores
Bituminous Coal	601	347	57.7
Iron and Steel	24	19	79.2
Lumber	147	58	39.5
Textile	80	28	35.0
Total All	878	455	51.8

Of equal importance to the length of the pay period is the length of the period for which wages are withheld after the close of the pay period. The period of wage retention seems to be about equal to the length of the pay period. Thus, 90 per cent of the bituminous coal companies withhold the payment of wages from eight to 15 days; five per cent withhold payment four to seven days and two per cent from

16 to 21 days. In the lumber industry, 51 percent withhold payment from eight to 15 days; 23 per cent, from four to seven days; 19 per cent from one to three days; and one per cent from 16 to 21 days. The cotton mills make the best showing since 88 per cent pay the wages four to seven days after they are due, and nine per cent make such payments one to three days after the close of the pay period. There seems to be no justification for the long pay periods and period of wage retention in the coal and lumber industries.

TABLE XV

PERCENTAGE DISTRIBUTION OF THE 931 COMPANY STORES BY THE LENGTH OF THE PAY PERIOD, CLASSIFIED BY INDUSTRY, 1934

Industry	Number of Stores Reporting	Percentage Distribution According To Following Specified Pay Periods		
		One Week	Semi-Monthly or Two Weeks	Monthly
Bituminous Coal	658	-	99.7	0.3
Lumber	157	7.0	67.5	25.5
Textile	91	91.2	8.8	-
Total All	957	10.1	85.5	4.4

TABLE XVI

PERCENTAGE DISTRIBUTION OF 936 COMPANY STORES ACCORDING TO THE LENGTH OF PERIOD FOR WHICH WAGES ARE WITHHELD AFTER THE CLOSE OF THE REGULAR PAY PERIOD, CLASSIFIED BY INDUSTRY, 1934

Industry	Number of Stores Reporting	Percentage Distribution According to Following Lengths of Periods for Which Wages are Withheld					
		0 Days	1-3 Days	4-7 Days	8-15 Days	16-21 Days	22 Days and over
Bituminous Coal	338	1.1	0.8	5.2	90.1	2.0	0.8
Lumber	158	1.3	19.0	23.4	50.6	4.4	1.3
Textile	89	-	9.0	87.6	3.4	-	-
Total All	936	1.0	5.2	18.0	73.0	2.2	0.6

Statistical Appendix

LIST OF EXHIBITS

Exhibits A

Transcripts of Hearings Held in Birmingham, Alabama on Article IX, Section 4 of the Code of Fair Competition for the Retail Trade, July 2, 1934 (Two Volumes).

Exhibits B

"The Cotton Mill Worker and His Needs," a report containing "facts and figures gathered from personal investigations and reports directly from mill stores and the cotton mills" submitted by The Mill Stores Committee of the American Cotton Manufacturers Association, William P. Jacobs, Chairman.

Exhibit C

"The Use of Company Scrip and the Granting of Credit by Company Stores in the Lumber Manufacturing Industry," a survey report "compiled from questionnaire information supplied the National Lumber Manufacturers Association by lumber manufacturers," submitted by the National Lumber Manufacturers Association.

Exhibit D

Briefs and Statements favoring Company Store and Scrip System or Protesting against the retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

George Bellsnyder, Buckingham, Alabama
Bessemer Chamber of Commerce
Lige Chandler, Protective League, Bessemer, Alabama
M. M. Chandler, Lumberman
Committee of Merchants and Manufacturers of the Birmingham District, W. C. Phillip, Chairman
Coupon Book Manufacturers Association
J. C. Davis
Billy Dean, Farmer
Durham Brothers
Oscar Dutro
M. H. Fies, Vice-President De Bardeleben Corporation, Alabama
Fitzgerald and Company (Submitted by Hunton, Williams and Anderson and Gay on behalf of)
Jim Franklin
Tom Hall
W. M. Hallmark
F. H. Hollingworth, Sloso-Sheffield Company
H. B. Howell, By-Product Company Store, Alabama
Miss Hughes, Teacher
Mrs. D. J. Hughes
M. G. Jackson, Farm Product Agent, Alabama
Kelly
Kennicott Copper Corporation
T. B. Kennedy

Industrial Stores and Commissaries of Birmingham, Alabama (Submitted by Borden Barr on behalf of)
Industrial Stores and Commissaries of Birmingham, Alabama, "Additional Statement and Brief and Analysis of Statements and Evidence Presented at the open Hearing Held in Birmingham, July 2, 1934", (Submitted by Borden Barr on behalf of)
Industrial Stores Association
Frank Lamont
William Marshall
H. J. McCombs
Miami Copper Store, Arizona
Mrs. Glen Montgomery
National Coal Association
National Lumber Association
Fred Oliver
V. A. Stewart
Southern Pacific Railroad Company - Threl Keld Company
Staggs
United Mine Workers of America (Submitted by Judge Warrum on behalf of)
Herskey Wilson

Exhibit E

Briefs and Statements Opposing the Company Store and Scrip System or Favoring the Retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

J. W. Adams, By-Products Company, Alabama
L. D. Anderson, Employee of Tennessee Railroad Company
L. T. Anderson
J. T. Bates, President Mine County Local 5905 U.M.W.A., Alabama
L. B. Carter, Trade Councils
William Green, President American Federation of Labor
W. O. Hare, Secretary Alabama Federation of Labor
Benjamin Leader on behalf of Retail Stores in Alabama
R. B. Lehman, Bessemer, Alabama
William Mitch, President District 20, Birmingham, U.M.W.A.
Ed. T. Morgan, President District 23, Madisonville, Kentucky, U.M.W.A.
Robert R. Moore, President Alabama Federation of Labor
D. E. Smith, Sloso Local
Otis Young, President Birmingham Local 620
B. Youngblood, Union Leader

Exhibit F

Briefs and Statements protesting against the retention, or Favoring the Elimination of Article VIII, Section 4 of the Code of Fair Competition for the Retail Jewelry Trade

Association of Railway Executives
The Baltimore and Ohio Railroad - Brief
The Baltimore and Ohio Railroad - Supplementary Brief
Erie Railroad Company

F. H. Fljozdal, President Brotherhood of Maintenance of Way Employees
National Retail Jewelry Code Authority
Railroad Watch Inspectors Group of the National Retail Jewelers Association
D. B. Robertson, President Brotherhood of Locomotive Firemen and Enginemen
A. F. Whitney, President Brotherhood of Railroad Trainmen

Exhibit G a/

Affidavits Favoring the company store system Submitted By:

Alexander, Johnnie	Superior Lime Company
Atkins, J. B.	Saginaw, Alabama
Bozeman, C. E.	Saginaw, Alabama
Braxton, Robert	Sloss, Alabama
Cobb, Charlie	Sloss, Alabama
Costa, Frank	1531 Clarendon Ave., Bessemer
Cousins, Archie	Bessemer, Alabama
Darden, Dearest	Sloss, Alabama
Dickens, Collie	Sloss, Alabama
Doak, Jim	Landmark, Alabama
Doss, Frank	Woodward, Alabama
Doster, Jessie	Saginaw, Alabama
Evans, Joe	Sloss, Alabama
Findley, Russell	Saginaw, Alabama
Finley, Willis	Saginaw, Alabama
Foster, Tom	Sloss, Alabama
Gainer, Jesse	Sloss, Alabama
Gaiters, Allen	Saginaw, Alabama
Gee, Willie	Sloss, Alabama
Green, Will	Siluria, Alabama, R.I., B. 22
Hall, Thomas	1316 - 20th St., Bessemer
Hall, Thomas	1317-26th Street, Bessemer
Hamrick, J. V.	Saginaw, Alabama
Harrison, Sam	Saginaw, Alabama
Harrisson, Robert	Saginaw, Alabama
Harvey, Hamp	Sloss, Alabama
Hill, Tom	Calera, Alabama
Howard, Major	Woodward, Alabama
Johnson, Oliver	Woodward, Alabama
Jones, Charlie	Woodward, Alabama
Kirkland, Robert	Saginaw, Alabama
Knox, J. N.	Saginaw, Alabama
Knox, Lloyd	Saginaw, Alabama
Knox, Sam	Bessemer, Alabama
Levert, Alous	Sloss, Alabama

a/ Unless otherwise specified, the signers are workmen

Petitions favoring the retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

Employer of Parent Companies (two groups)
W. A. Powell, and group of merchants
United Mine Workers of America, Union #5841, Brilliant, Alabama
United Mine Workers of America, Winfield, Alabama
United Mine Workers of America, Union #5905, Flat Creek, Alabama

EXHIBIT J

Resolutions submitted by the following local unions of the United Mine Workers of America Endorsing Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

Local Union Number	Location
5826	Acmar, Alabama
6345	Altoona, Alabama
5773	America, Alabama
6334	Bessemer, Alabama
5802	Bessemer, Alabama
S.W.L. #81	Bessemer, Alabama
18370	Bessemer, Alabama
District 20	Birmingham, Alabama
5828	Blocton, Alabama
6019	Cardova, Alabama
6047	Carlisle, West Virginia
5840	Dayreton, Alabama
#20	Fairfield, Alabama
5803	Howard, Alabama
5906	Helina, Alabama
5823	Kathryn, West Virginia
5930	Leeds, Alabama
5983	Lewesburg, Alabama
District 23	Madisonville, Kentucky
6436	Peterson, Alabama
5827	Piper, Alabama
6271	Moundsville, West Virginia
5948	Milburne, West Virginia
1704	Studa, Pennsylvania
6807	Townley, Alabama

EXHIBIT K

Letters favoring Company Store and Scrip System or protesting the retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

Anderson Dry Cleaning Co.	Bessemer, Alabama
Angelina County Lumber Co.	Angelina City, Texas
Bagdad Lumber Company	Bagdad, Florida
Barton, D. H.	Jasper, Alabama

Beadle Merchandise Company	Brockway, Pennsylvania
Ben Craig Company	Bessemer, Alabama
Bessemer Rolling Mills	Bessemer, Alabama
Biveil, Lee (Meat Wholesaler)	Bessemer, Alabama
Bostick, E. C. (Farmer)	Jefferson City, Alabama
Bradley Bros. Grain Company	Birmingham, Alabama
Bright, J. C., Lehigh Nov. Co.	Birmingham, Alabama
Butler, H. C.	Red Mountain, Alabama
Calar, Essix H.	Acmar, Alabama
Caldwell, A. A.	Bessemer, Alabama
Carbon Fuel Company	Wevaco, West Virginia
Couch, M. G. (Jr. High School Principal)	Empire, Alabama
Crawford's Millinery	Bessemer, Alabama
Crossett Lumber Company	Crossett, Arkansas
Deason, A. W.	Bessemer, Alabama
De Vaney, J. A.	Dora, Alabama
Dobber, A. L. (Farmer)	R. 2, Odenville, Alabama
Evansville Packing Company	Birmingham, Alabama
Fulton Drug Company	Bessemer, Alabama
Garlington, J. M.	Bessemer, Alabama
Goodwin, F. J.	Acmar, Alabama
Gulf State Steel Company	Birmingham, Alabama
Huntington Chamber of Commerce	Huntington, West Virginia
Industrial Stores Association	Cincinnati, Ohio
Jacobs Undertaking Company	Birmingham, Alabama
Leggett, J. W. (Jeweler)	Bessemer, Alabama
Long, Bell Lumber Corporation	De Redder, Louisiana
Long, Lewis Hardware Company	Birmingham, Alabama
McClain, R. C.	Acmar, Alabama
McLaughlin	Odenville, Alabama
McDowol, H. A., N. J. Ins. Co.	New Jersey
Massey, H. W. (Merchandise)	Bessemer, Alabama
Meade, W. H.	Odenville, Alabama
Minor, J. W.	Odenville, Alabama
Moody, Lee (Pres., First National Bank)	Bessemer, Alabama
Myers, Joe (Farmer)	Sipsey, Alabama
Norman, B. D.	Bessemer, Alabama
Oxford-Chambers Produce Company	Bessemer, Alabama
Peese, George V. (Farmer)	Bessemer, Alabama
Pogram, Harris and Bates	Bessemer, Alabama
Pickett, Chas.	Acmar, Alabama
Pyle, W. W.	Acmar, Alabama
Ray, E. C. (Doctor)	Bessemer, Alabama
Rochester Drug Company	Bessemer, Alabama
Schilleci, Paschal	Bessemer, Alabama
Sexton, D.	Acmar, Alabama
Taylor, R. W. (Principal of Colored School)	Sipsey, Alabama
Turner, C. C. (Pastor, Ocipco Church)	Birmingham, Alabama
Venable, W. B. (Farmer)	Trussville, Alabama
Washington, Jeff	B. 151, Acmar, Alabama
Washington, S. M.	Acmar, Alabama
Watts, William	Bessemer, Alabama

EXHIBIT L

Letters protesting against Company Store and Scrip System or favoring the retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Code.

Barton Owen, President Local 4943 United Mine Workers of America	
Bessemer District Smelters Council	
Chambers, R. W. (Bank of Parrish)	Parrish, Alabama
Colern, D. D. (Worker)	Houma, Louisiana
Gillis, John (Worker)	Brook, West Virginia
Hess, George F. (Merchant)	Clinton City, Pennsylvania
Humphreys, Bige (Merchant)	Wilder, Texas
Kirk, Ben J. (Hardware Merchant)	Parrish, Alabama
Knox, Sam (Worker)	Bessemer, Alabama
Lehman Furniture Company	Parrish, Alabama
Mc Mahon, F. J.	Altoona, Pennsylvania
Pear, Henry (Worker)	Bessemer, Alabama
Rhoades, Ralph	Gideon, Missouri
Rowan, James A.	Kingston, West Virginia
Stone, F. C.	
Smith, Archie (Worker)	Combira, Pennsylvania
Social Circle Cotton Mill Co.	Social Circle, Georgia
Taylor, R. F. and Sons	Saltville, Virginia
"Confidential"	Alum Creek, West Virginia
"Confidential"	Bergoo, West Virginia
"Confidential"	Bergoo, West Virginia
"Anonymous"	Elverton, West Virginia

EXHIBIT M

Letters received by Cotton Textile Institute from Cotton Mills favoring Company Store and Scrip System or protesting the retention of Article IX, Section 4 of the Code of Fair Competition for the Retail Trade.

Aragon Mills	Aragon, Georgia
Atlanta Woolen Mills	Atlanta, Georgia
Banning Cotton Mills	Banning, Georgia
Beacon Manufacturing Company	Savannah, North Carolina
Brandon Corporation	Greenville, South Carolina
The Chronicle Mills	Belmont, North Carolina
Cleveland Mill and Power Company	Lawndale, North Carolina
Clifton Manufacturing Company	Clifton, South Carolina
Climax Spinning Company	Belmont, North Carolina
Crescent Spinning Company	Belmont, North Carolina
Drayton Mills	Spartanburg, North Carolina
Eagle Yarn Mills, Inc.	Belmont, North Carolina
Eastman Cotton Mills	Eastman, Georgia
Exposition Cotton Mills	Atlanta, Georgia
Franklin Process Company	Providence, Rhode Island
Fulton Bag and Cotton Mills	Atlanta, Georgia
Hannah-Pickett Mills, Inc.	Rockingham, North Carolina

Lily Mill and Power Company	Shelby, North Carolina
Manetta Mills	Lando, South Carolina
Marion Manufacturing Company	Marion, North Carolina
Millville Department Store	Georgia
Monarch Mills	Union, South Carolina
Monroe Cotton Mills	Monroe, Georgia
Neisler Mills, Inc.	Kings Mt., North Carolina
Pacolet Manufacturing Company	Pacolet, South Carolina
Pepperton Cotton Mills	Jackson, Georgia
Roswell Mills, Inc.	Roswell, Georgia
Sauquoit Spinning Mills, Inc.	Gadsden, Alabama
Southern Brighton Mills	Shannon, Georgia
Southern Mercerizing Company	Tryon, North Carolina
Spartan Mills	Spartanburg, South Carolina
Superior Yarn Mills, Inc.	Statesville, North Carolina
Tucapau Mills	89 Broad St., Boston, Mass.
Union Manufacturing Company	Union Point, Georgia
United Merchants and Mfrs. Management Corporation	271 Church St., N. Y.
Wallace Manufacturing, Inc.	Jonesville, South Carolina
Whittier Mills Company	Chattahoochee, Georgia

Letters received by Cotton Textile Institute from Cotton Mills opposing Company Stores and Scrip System or favoring retention of Article IX, Section 4 of Code of Fair Competition for Retail Trade.

A. M. Smyre Manufacturing Co.	Gastonia, North Carolina
Bemis Brothers Bag Company	Boston, Mass
Chicopee Manufacturing Corp.	New Brunswick, N. J.

EXHIBIT N

MISCELLANEOUS

Coupon Book Manufacturers Association, "A Suggestion of Means whereby Discounting of Company Scrip will be Prevented."
Installment Contract Form (Stowe Mercantile Company).
Lease Contract Form (Pittsburgh Mercantile Company).
Lease Contract and Wage Assignment Form (Union Supply Co.).
Petition submitted by Cohan Mill Workers to the American Cotton Manufacturers Association.
Photographs of Company Stores.
Questionnaires filled out and returned to the American Cotton Manufacturers Association.
Wage Assignment Form (Crosswell Company).

TABLE 1

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN THE BIRMINGHAM DISTRICT (a)

Article	% of Article to Total Food Purchased (b)	Price Unit	Company Store: Number Of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
Flour	28.6	24 lbs.	14	$1.271	12	$1.200	5.9
Cornmeal	9.6	12 lbs.	14	.328	14	.318	3.1
Rice	1.0	1 lb.	14	.80	13	.059	35.6
Macaroni	0.2	7 oz. pkg.	14	.066	14	.049	14.3
Rolled Oats	0.1	20 oz. pkg.	14	.097	14	.088	10.2
Corn Flakes	0.2	Standard pkg.	14	.92	14	.086	7.0
Beans, Navy	0.4	1 lb.	14	.066	12	.060	10.0
Beans, Lima	0.8	1 lb.	12	.090	14	.077	16.9
Sugar	8.7	1 lb.	14	.063	14	.059	6.8
Salt	1.8	1-1/2 lb.	14	.050	14	.030	0
Bread	3.1	1 lb.	14	.100	14	.100	0
Coffee	0.8	1 lb.	14	.196	14	.193	1.5
Potatoes, White	3.8	1 lb.	13	.026	14	.023	13.0
Onions	0.7	1 lb.	14	.053	12	.053	0
Milk, Evaporated	0.8	Large Can	11	.076	11	.074	2.7
Tomatoes, Canned	0.8	#2 can	14	.108	14	.097	11.3
Corn, Canned	0.4	#2 can	14	.109	13	.100	10.9
Peas, Canned	0.2	#2 can	14	.136	13	.129	5.4
Salmon, Canned	0.4	Standard can	14	.146	14	.143	2.1
Peaches, Canned	0.2	No. 2-1/2 can in 40% Syrup	12	.205	11	.192	6.8
Pork Chops	1.3	1 lb.	14	.212	5	.205	3.4
Sliced Cured Ham	0.7	1 lb.	12	.294	5	.256	14.8
Sliced Breakfast Bacon	1.0	1 lb.	13	.269	8	.243	10.7
Dry Salt Bellies	4.4	1 lb.	14	.161	14	.149	8.0
Frankfurters	0.7	1 lb.	10	.191	7	.187	2.1
Pork Sausage	0.3	1 lb.	14	.186	6	.161	15.5
Lard	5.7	1 lb. pkg.	13	.125	5	.108	15.7
Creamery Butter	0.5	1 lb. pkg.	14	.341	10	.316	7.9
Eggs, Fresh	0.1	1 doz.	13	.224	11	.212	5.7

(a) Aggregate of average prices multiplied by their respective weights: Company, 44.215; Independents, 41.740. Percentage difference in weighted aggregates, 5.9%. Data gathered August 6, 7, and 8, 1934.

(b) Alabama weights used by U.S. Coal Commission, Op. Cit. Pt. III, pp. 1569-70.

TABLE

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN EASTERN KENTUCKY (A)

Article	% of Article to Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Price
Flour	28.1	24 lbs.	8	$1.306	7	$1.207	8.2
Cornmeal	2.8	25 lbs.	8	.668	5	.660	1.2
Rice	.2	12 oz. pkg.	9	.089	7	.079	12.6
Macaroni	.2	7 oz. pkg.	8	.078	7	.061	27.9
Rolled Oats	.6	2 oz. pkg.	9	.100	7	.097	3.0
Corn Flakes	.1	Standard pkg.	9	.100	7	.095	5.2
Beans, Navy	1.8	1 lb.	7	.068	3	.064	6.2
Sugar	8.5	2 lb. pkg.	9	.154	7	.148	4.0
Salt	2.3	1-1/2 lb. pkg.	9	.080	7	.050	0
Bread	4.8	1 lb.	9	.100	7	.100	0
Coffee	1.9	1 lb.	9	.210	6	.197	6.6
Potatoes -White	9.6	1 lb.	8	.032	6	.027	18.5
Onions	.9	1 lb.	8	.062	6	.056	10.7
Cabbage	1.0	1 lb.	8	.037	6	.029	27.6
Milk, Evaporated	2.1	Large Can	9	.085	7	.080	6.2
Tomatoes, Canned	2.2	#2 Can	8	.100	7	.095	5.2
Corn, Canned	.8	#2 Can	9	.113	7	.100	13.0
Peas, Canned	.1	#2 Can	8	.139	7	.114	21.9
Salmon, Canned	.2	Standard Can	7	.164	6	.146	12.3
Peaches, Canned	1.1	No. 2-1/2 can in 40% syrup	7	.228	5	.206	10.6
Round Steak	1.0	1 lb.	8	.280	3	.233	20.1
Loin Chops	1.9	1 lb.	8	.235	3	.233	.8
Boiled Ham	.2	1 lb.	9	.405	4	.412	1.7
Smoked Ham	.5	1 lb.	8	.291	3	.266	9.3
Smoked Bacon	.6	1 lb.	9	.283	3	.266	6.3
Dry Salt Bellies	1.7	1 lb.	9	.165	6	.148	11.4
Pork Sausage	.4	1 lb.	9	.195	5	.170	14.7
Lard	1.8	1 lb. pkg.	9	.121	6	.104	16.3
Butter	1.2	1 lb.	9	.348	6	.345	5
Cheese	.4	1 lb.	9	.300	6	.300	0
Eggs, Fresh	1.2	1 doz.	9	.225	6	.197	14.2

(a) Aggregate of average prices multiplied by their respective weights. Company 44.812; Independents, 41.604; Percentage difference in weighted aggregates, 7.7%. Data gathered July 16; 17, and 18, 1934.

(b) New River weights used by U.S. Coal Commission, Op. Cit. Pt. III. pp. 1526-7

TABLE

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN THE SOUTH CAROLINA DISTRICT #1 (a)

Article	% of Article to Total Food Purchased(b)	Price Unit	Company Store		Independent Store		Percentage Difference Above or Below (-) Independent Store Pr
			Number of Quotations	Average Price	Number of Quotations	Average Price	
Flour	28.6	24 lbs.	7	$1.257	5	$1.248	1.5
Cornmeal	9.6	6 lbs.	6	.155	4	.155	0.0
Rice	1.0	1 lb.	7	.073	5	.066	10.6
Beans, Navy	0.4	1 lb.	5	.072	5	.066	9.1
Beans, Lima	0.8	1 lb.	7	.086	6	.086	0.0
Sugar	8.7	1 lb.	3	.550	3	.517	6.4
Coffee	0.8	1 lb.	7	.183	5	.166	10.2
Potatoes, white	3.8	1 lb.	6	.035	4	.030	16.6
Onions	0.7	1 lb.	6	.078	5	.066	18.2
Milk, Evaporated	0.8	Large Can	6	.078	4	.072	8.3
Tomatoes, Canned	0.8	#2 Can	7	.090	5	.092	- 2.2
Corn, Canned	0.4	#2 Can	7	.114	5	.096	18.7
Peas, Canned	0.2	#2 Can	7	.128	5	.116	10.3
Smoked Ham	0.7	1 lb.	7	.278	3	.270	3.0
Smoked Bacon	1.0	1 lb.	7	.245	5	.230	6.5
Dry Salt Bellies	4.4	1 lb.	7	.109	5	.102	6.9
Lard	5.7	1 lb. pkg.	5	.100	5	.098	2.0
Butter (Creamery)	0.5	1 lb. pkg.	7	.333	5	.332	0.3
Cheese	0.8	1 lb.	7	.243	5	.216	12.5

(a) Aggregates of weighted average prices: Company store, 45,071: independent stores, 44.032. Percentage difference 2.3 per cent. Data collected June 22, 23, 25, and 27, 1934.

(b) Birmingham weights used by U.S. Coal Commission, op. Cit. Pt. III, pp. 1569-70

TABLE 4

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES

AND INDEPENDENT STORES IN THE SOUTH CAROLINA DISTRICT #2 (a)

Article	% of Article to Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
Flour	28.8	24 lbs.	6	$1.140	5	$1.110	3.0
Cornmeal	9.6	12 lbs.	8	.315	8	.297	6.1
Rice	1.0	1 lb.	8	.065	7	.065	0.0
Macaroni	.2	7 oz. pkg.	8	.076	7	.059	28.8
Rolled Oats	.1	Small pkg.	8	.094	7	.085	10.6
Corn Flakes	.2	Standard pkg.	8	.091	8	.086	5.8
Beans, navy	0.4	1 lb.	7	.076	7	.071	7.0
Sugar	8.7	1 lb.	8	.043	7	.060	5.0
Salt	1.8	1-½ lb.	8	.50	8	.049	2.0
Bread	3.1	1 lb.	8	.100	7	.100	0.0
Coffee	0.8	1 lb.	8	.229	8	.206	7.3
Potatoes, white	3.8	1 lb.	8	.029	7	.030	- 6.7
Potatoes, sweet	.8	1 lb.	8	.074	7	.067	10.4
Cabbage	1.7	1 lb.	8	.029	7	.033	-12.1
Milk, evaporated	0.8	Large Can	6	.077	6	.076	1.3
Tomatoes, canned	0.8	#2 Can	8	.098	8	.098	0.0
Corn, canned	0.4	#2 Can	8	.105	8	.098	5.1
Peas, canned	0.2	#2 Can	8	.119	7	.098	20.8
Salmon, canned	0.4	Standard Can	8	.137	8	.128	7.0
Round Steak	0.6	1 lb.	7	.228	5	.200	14.0
Chuck or Pot Roast	0.1	1 lb.	5	.159	5	.125	27.2
Rib Roast	0.1	1 lb.	5	.154	3	.143	7.7
Loin Chops	1.3	1 lb.	7	.211	4	.192	9.9
Boiled Ham	0.1	1 lb.	6	.383	4	.400	- 4.5
Smoked Ham	0.7	1 lb.	7	.300	7	.304	- 1.5
Smoked Bacon	1.0	1 lb.	8	.275	7	.267	3.0
Dry Salt Bellies	4.4	1 lb.	8	.205	7	.200	2.5
Frankfurters	0.7	1 lb.	8	.185	6	.175	6.9
Pork Sausage	0.3	1 lb.	5	.180	4	.157	14.6
Lard	5.7	1 lb. pkg.	6	.100	7	.98	2.0
Butter, creamery	0.5	1 lb.	7	.329	4	.337	- 2.4
Cheese	0.5	1 lb.	8	.231	5	.208	11.1
Eggs, fresh	0.1	1 doz.	8	.268	7	.233	15.0

(a) Aggregate of weighted average prices: Company stores, 40,432; independent stores 32.017. Percentage difference 5.6 per cent. Data collected July 28, 30 and 31, 1934.

(b) Birmingham weights used by U.S. Coal Commission, Op. Cit, Pt, III, pp. 1569-70

TABLE

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES

AND INDEPENDENT STORES IN THE EASTERN TENNESSEE DISTRICT a/

Article	% of Article to Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
ır	28.1	24 lbs	6	$1.070	4	$.970	11.0
ımeal	2.8	24 lbs.	4	.650	3	.590	10.1
e	0.2	1 lb.	3	.075	4	.067	11.9
aroni	0.2	7 oz. pkg.	5	.056	4	.050	12.0
led Oats	0.6	20 oz. pkg.	6	.097	4	.096	1.0
ı Flakes	0.1	Standard pkg.	6	.101	4	.089	13.4
ıs, navy	1.8	1 lb.	5	.069	3	.058	18.9
ıs, lima	0.7	1 lb.	-	-	-	-	-
t	2.3	1½lb.	6	.050	4	.050	00.0
ad	4.8	1 lb.	6	.100	4	.100	00.0
fee	1.9	1 lb.	5	.230	3	.205	12.1
atoes, white	9.6	1 lb.	6	.027	4	.023	22.7
ons	0.9	1 lb.	6	.055	4	.035	00.0
k, evaporated	2.1	Small Can	6	.043	4	.035	22.8
atoes, canned	2.2	#2 Can	6	.100	4	.100	00.0
n, canned	0.8	#2 Can	6	.125	4	.100	20.0
s, canned	0.1	#2 Can	5	.120	3	.117	11.1
Salt Bellies	1.7	1 lb.	6	.159	4	.116	37.0
d	1.8	1 lb. pkg.	6	.116	4	.100	16.6
ese	.4	1 lb.	6	.300	3	.283	6.0
s, fresh	1.2	1 doz.	6	.241	3	.193	24.8

a/ Aggregate of weighted average prices: Company stores, 34.755; independent stores, 31,463. Percentage difference, 10.4 per cent. Data collected July 10, 11, 1934

b/ New River weights used by U. S. Coal Commission, Op. Cit., Pt.III pp. 1526-7.

TABLE

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN THE WESTERN VIRGINIA DISTRICT a/

Article	% of Article To Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
				$		$	
Flour	28.1	24 lbs.	11	1,236	11	1,226	0.8
Cornmeal	2.8	25 lbs.	11	.636	11	.595	6.9
Rice	.2	12 oz. cart	11	.079	11	.070	11.4
Macaroni	.2	7 oz. pkg.	9	.074	10	.057	29.8
Rolled Oats	.6	Small pkg.	11	.094	11	.095	- 1.1
Corn Flakes	.1	Standard pkg.	11	.095	11	.099	- 4.1
Beans, Navy	1.8	1 lb.	7	.070	8	.065	7.7
Beans, Lima	.7	-	-	-	-	-	-
Sugar	8.5	1 lb.	11	.153	11	.141	8.5
Salt	2.3	1-1/2 lb.	11	.050	11	.050	0.0
Bread	4.8	1 lb.	11	.100	11	.100	0.0
Coffee	1.9	1 lb.	11	.206	11	.191	7.8
Potatoes, White	9.6	1 lb.	11	.033	10	.025	32.0
Onions	.9	1 lb.	10	.066	10	.058	13.8
Cabbage	1.0	1 lb.	10	.036	7	.031	16.1
Milk, Evaporated	2.1	Large Can	8	.076	7	.074	5.4
Tomatoes, Canned	2.2	#2 Can	11	.102	10	.104	- 1.9
Corn, Canned	.8	#2 Can	11	.114	11	.106	7.5
Peas, Canned	.1	#2 Can	11	.136	10	.120	13.3
Salmon, Canned	.2	Standard Can	10	.151	11	.144	4.9
Peaches, Canned	1.1	No.2-1/2 Can in 40% syrup	10	.250	11	.225	11.1
Round Steak	1.0	1 lb.	8	.250	4	.200	25.0
Chuck or Pot Roast	.4	1 lb.	8	.161	4	.137	17.5
Loin Chops	1.9	1 lb.	9	.244	4	.212	15.1
Smoked Ham	.5	1 lb.	8	.304	4	.287	5.9
Smoked Bacon	.6	1 lb.	10	.307	6	.272	12.9
Dry Salt Bellies	1.7	1 lb.	11	.153	9	.148	3.4
Frankfurters	.3	1 lb.	9	.195	4	.182	7.1
Pork Sausage	.4	1 lb.	7	.170	4	.205	-17.1
Lark	1.8	1 lb. pkg.	10	.120	9	.109	10.1
Butter, Creamery	1.2	1 lb.	11	.368	6	.338	8.9
Cheese	.4	1 lb.	10	.280	8	.279	0.3
Eggs, Fresh	1.2	1 doz.	10	.225	9	.202	11.4

a/ Aggregate of weighted average prices: Company store, 42.771; independent stores 41.870. Percentage differences 2.1 per cent. Data collected July 19, 20, 23, 1934.

b/ New River weights used by the U. S. Coal Commission, Op Cit. Pt. III pp.1526-7.

TABLE

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN THE FAIRMOUNT DISTRICT IN WEST VIRGINIA a/

Article	% of Article to Total Food Purchased b/	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
Flour	9.1	24 lbs.	10	$1.180	9	$1.130	4.4
Rice	.8	1 lb.	10	.079	9	.073	8.2
Macaroni	.6	7 oz. pkg.	10	.115	10	.092	25.0
Rolled Oats	.4	20 oz. pkg.	10	.094	8	.097	- 3.1
Corn Flakes	.1	Standard pkg.	10	.088	10	.086	2.3
Beans, Navy	.4	1 lb.	10	.050	9	.649	2.0
Beans, Lima	.5	1 lb.	10	.094	6	.095	- 1.1
Sugar	13.4	1 lb.	10	.150	10	.143	4.8
Salt	2.4	1-1/2 lb.	10	.050	10	.048	4.1
Bread	10.0	1 lb.	10	.100	10	.098	2.0
Coffee	1.3	1 lb.	10	.226	10	.209	8.1
Potatoes, white	12.2	1 lb.	9	.026	10	.024	8.3
Potatoes, sweet	.5	1 lb.	-	-	-	-	-
Onions	1.4	1 lb.	8	.070	8	.058	20.6
Milk, evaporated	1.9	Large Can	9	.070	9	.068	2.9
Tomatoes, canned	.9	#2 Can	10	.109	10	.097	12.3
Corn, canned	.3	#2 Can	10	.107	10	.106	0.9
Peas, canned	.4	#2 Can	10	.124	9	.122	1.6
Salmon, canned	.1	Standard can	10	.156	10	.152	2.6
Peaches, canned	.2	No.2-1/2 can in 40% syrup	10	.202	10	.202	0.0
Chuck or pot roast	.6	1 lb.	10	.166	4	.142	16.9
Rib Roast	.9	1 lb.	10	.172	7	.166	3.6
Boiled Ham	.6	1 lb.	9	.401	7	.383	4.6
Sliced Ham	1.3	1 lb.	8	.287	7	.286	0.3
Sliced Bacon	1.0	1 lb.	9	.286	8	.261	9.6
Dry Salt Bellies	.1	1 lb.	10	.167	9	.140	19.2
Frankfurters	1.2	1 lb.	10	.166	5	.158	5.0
Pork Sausage	.5	1 lb.	-	-	-	-	-
Lard	.5	1 lb. pkg.	10	.135	10	.118	14.4
Butter	.9	1 lb.	10	.342	9	.323	5.9
Cheese	1.0	1 lb.	10	.233	10	.227	2.6
Eggs, fresh	.3	1 doz.	8	.266	9	.251	6.0

a/ Aggregate of weighted average prices: Company store, 17.703; independent store, 16.942. Percentage difference 4.5 per cent. Data gathered August 21, 22, 23 1934.

b/ Connellsville weights used by U. S. Coal Commission, Op.Cit,Pt. III, p. 1549

TABLE 8

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES

AND INDEPENDENT STORES IN THE
SOUTHERN WEST VIRGINIA AND PIKE COUNTY, KENTUCKY DISTRICT(a)

Article	% of Article To Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Prices	Percentage Difference Above or Below (-) Independent Store Prices
Flour	28.8	24 lbs.	25	$1.270	13	$1.220	4.1
Cornmeal	3.9	10 lbs.	27	.320	15	.290	10.3
Rice	0.3	1 lb. pkg.	25	.083	15	.080	3.8
Macaroni	0.3	7oz. pkg.	14	.079	13	.075	5.3
Rolled Oats	0.6	20oz."	28	.098	15	.095	3.2
Cornflakes	0.2	Standard Pkg.	27	.100	15	.090	11.1
Beans, navy	2.2	1 lb.	26	.069	12	.062	11.3
Beans, lima	0.6	1 lb.	25	.108	13	.009	9.1
Sugar	8.1	2 lb.	27	.153	15	.143	7.0
Coffee	1.8	1 lb.	21	.213	14	.203	4.0
Potatoes, white	10.2	1 lb.	26	.030	14	.026	15.4
Potatoes, sweet	1.0	1 lb.	22	.064	13	.055	16.
Onions	1.1	1 lb.	26	.064	15	.055	16
Cabbage	1.3	1 lb.	26	.036	14	.033	9.1
Apples	3.7	1 lb.	23	.049	14	.049	0.0
Tomatoes, fresh	0.4	1 lb.	25	.073	14	.064	14.1
Milk, evaporated	2.5	Large can	27	.078	15	.073	6.8
Tomatoes, canned	2.1	No. 2½ can	23	.154	12	.146	5.5
Corn, canned	0.9	Standard Can	19	.112	13	.099	13.1
Peas, canned	0.2	Standard Can	17	.152	11	.146	4.1
Sauerkraut canned	0.2	No. 2½ can	24	.158	14	.143	10.5
Salmon, canned	0.2	Standard Can	24	.171	15	.143	19.6
Round Steak	.7	1 lb.	25	.267	12	.263	1.5
Loin Steak	.6	1 lb.	25	.290	9	.270	7.4
Chuck or pot roast	0.3	1 lb.	23	.172	10	.176	- 2.3
Rib roast	0.6	1 lb.	22	.193	8	.235	- 17.9
Plate Roast	0.7	1 lb.	17	.135	11	.107	26.2
Loin Chops	1.7	1 lb.	27	.254	15	.251	1.2
Boiled Ham	0.3	1 lb.	22	.426	15	.418	1.9
Smoked Ham	-	-	-	-	-	-	-
Smoked Bacon	1.2	1 lb.	17	.226	12	.219	3.2
Dry Salt Bellies	1.9	1 lb.	26	.172	13	.164	4.9
Frankfurters	0.3	1 lb.	23	.193	13	.176	9.7
Pork Sausage	0.4	1 lb.	24	.196	12	.165	18.8
Lard	2.6	1 lb. pkg.	26	.132	15	.120	10.0
Butter	1.0	1 lb.	26	.364	15	.336	8.3
Cheese	0.5	1 lb.	24	.247	14	.231	6.9
Eggs, fresh	1.8	1 doz.	26	.280	15	.271	3.3

A(a) Aggregate of average prices multiplied by their respective weights: Company store, 42.369; independent store, 41.740. Percentage difference in weighted aggregates, 4.6 per cent. Data gathered August 16-24, 1934

(b) Average of Kanawha and New River weights used by U.S. Coal Commission in Cit. Pt. III, pp. 1526-1538.

TABLE 10

COMPARISON OF RETAIL PRICES OF FOODS IN COMPANY STORES AND INDEPENDENT STORES IN THE MINGO DISTRICT IN WEST VA.(a)

Article	% of Article to Total Food Purchased(b)	Price Unit	Company Store: Number of Quotations	Company Store: Average Price	Independent Store: Number of Quotations	Independent Store: Average Price	Percentage Difference Above or Below (-) Independent Store Prices
ur	28.1	24 lbs.	9	$.694	8	$.652	6.4
nmeal	2.8	10 lbs.	10	.327	10	.291	12.3
e	.2	1 lb.	10	.079	10	.073	8.2
aroni	.2	7 oz.pkg.	10	.084	10	.063	35.4
led Oats	.6	20 oz.pkg.	10	.095	10	.095	0.0
n Flakes	.1	Standard pkg.	10	.097	10	.093	4.3
ns, navy	1.8	1 lb	8	.073	9	.060	20.0
ns, lima	.4	1 lb.	7	.103	4	.102	0.2
ar	8.5	1 lb.	10	.155	10	.150	3.3
t	2.3	1½lb.	10	.050	10	.050	0.0
ad	4.8	1 lb.	10	.100	10	.100	0.0
fee	1.9	1 lb.	10	.236	10	.205	15.1
atoes, white	9.6	1 lb.	10	.035	10	.028	25.0
ons	0.9	1 lb	9	.065	10	.058	12.0
k, evaporated	2.1	Large can	10	.079	10	.73	8.2
atoes, canned	2.2	#2 can	10	.130	10	.102	27.4
n, canned	0.8	#2 can	10	.130	10	.112	16.0
s, canned	.1	#2 can	10	.157	8	.118	33.0
mon, canned	.2	Standard can	10	.173	8	.146	18.5
aches, canned	1.1	No.2½ Can in 40% syrup	10	.235	10	.226	3.9
nd Steak	1.0	1 lb.	4	.276	3	.267	3.4
in Chops	1.9	1 lb.	9	.247	8	.222	11.2
iled Ham	.2	1 lb.	7	.400	7	.400	0.0
oked Ham	0.5	1 lb.	6	.308	5	.298	3.3
oked Bacon	0.6	1 lb.	8	.306	8	.291	5.1
y Salt Bellies	1.7	1 lb.	10	.166	10	.156	6.4
ankfurters	0.3	1 lb.	9	.197	8	.201	- 1.9
rk Sausage	0.4	1 lb	10	.200	8	.157	27.3
rd	1.8	1 lb.pkg.	10	.134	10	.123	8.9
tter	1.2	1 lb.	10	.380	10	.355	7.0
eese	.4	1 lb.	10	.285	9	.235	21.2
gs, fresh	1.2	1 doz.	9	.292	8	.267	9.3

a) Aggregate of weighted average prices: Company store, 44.812; independent store, 41.604. Percentage difference 7.1. Data gathered August 15-17, 1934.

b) New River weights used by U.S.Coal Commission, Op.Cit.,Pt.III pp.1526-7

TABLE

NUMBER OF REPORTING COMPANY STORES, CLASSIFIED BY INDUSTRIES AND STATES ACCORDING TO THE LENGTH OF PAY PERIOD OF PARENT COMPANIES AND THE NUMBER OF DAYS FOR WHICH WAGES ARE WITHHELD BY THE PARENT COMPANIES AFTER THE REGULAR PAY PERIOD, 1934 a/

Industry and State	Total	Number of Stores Whose Parent Companies Have Specified Length of Pay Period					Total	Number of Stores Whose Parent Companies Withheld Pay for Specified Number of Days							
		One Week	Two Weeks	Semi-Monthly	Three Weeks	Monthly		0 Days	1-3 Days	4-7 Days	8-11 Days	12-15 Days	16-21 Days	22-28 Days	Over 28 Days
Total	957	97	576	242	-	42	936	9	47	169	298	385	21	6	1
Anthracite Coal	10	-	8	2	-	-	10	-	-	-	7	3	-	-	-
Pennsylvania	10	-	8	2	-	-	10	-	-	-	7	3	-	-	-
Bituminous Coal	658	-	458	198	-	2	638	7	5	33	221	354	13	5	-
Alabama	37	-	30	7	-	-	37	-	-	13	11	13	-	-	-
Colorado	5	-	1	4	-	-	5	1	-	1	1	2	-	-	-
Illinois	4	-	4	-	-	-	3	-	-	-	-	3	-	-	-
Kentucky	100	-	83	17	-	-	96	1	-	4	20	70	1	-	-
New Mexico	5	-	5	-	-	-	5	-	-	-	1	4	-	-	-
Ohio	9	-	7	2	-	-	9	-	-	-	5	4	-	-	-
Pennsylvania	161	-	82	79	-	-	154	1	2	7	66	76	2	-	-
Tennessee	13	-	8	5	-	-	12	-	-	-	1	11	-	-	-
Utah	6	-	4	2	-	-	6	-	1	2	2	1	-	-	-
Virginia	33	-	18	15	-	-	33	-	-	-	8	25	-	-	-
Washington	6	-	-	6	-	-	6	-	-	-	-	6	-	-	-
West Virginia	263	-	209	52	-	2	256	4	2	4	103	128	10	5	-
Wyoming	8	-	2	6	-	-	8	-	-	-	-	8	-	-	-
All Others	8	-	5	3	-	-	8	-	-	2	3	3	-	-	-
Copper	4	-	4	-	-	-	4	-	-	4	-	-	-	-	-
Ala	4	-	4	-	-	-	4	-	-	4	-	-	-	-	-
Iron and Steel	24	1	20	3	-	-	24	-	-	13	7	4	-	-	-
Alabama	23	1	20	2	-	-	23	-	-	12	7	4	-	-	-
Colorado	1	-	-	1	-	-	1	-	-	1	-	-	-	-	-
Lumber	157	11	69	37	-	40	158	2	30	37	57	23	7	1	1
Alabama	6	-	1	1	-	4	7	-	3	3	-	-	1	-	-

a/ Compiled from questionnaire of the Bureau of the Census.

(Table continued on next page)

TABLE

NUMBER OF REPORTING COMPANY STORES, CLASSIFIED BY INDUSTRIES AND STATES ACCORDING TO THE LENGTH OF PAY PERIOD OF PARENT COMPANIES AND THE NUMBER OF DAYS FOR WHICH WAGES ARE WITHHELD BY THE PARENT COMPANIES AFTER THE REGULAR PAY PERIOD, 1934 a/

Industry and State	Total	Number of Stores Whose Parent Companies Have Specified Length of Pay Period					Total	Number of Stores Whose Parent Companies Withheld Pay for Specified Number of Days							
		One Week	Two Weeks	Semi-Monthly	Three Weeks	Monthly		0 Days	1-3 Days	4-7 Days	8-11 Days	12-15 Days	16-21 Days	22-28 Days	Over 28 Days
Total	957	97	576	242	-	42	936	9	47	169	298	385	21	6	1
Lumber (Cont'd)															
Arkansas	9	-	6	3	-	-	9	-	1	3	1	4	-	-	-
California	16	-	9	7	-	-	16	-	-	3	13	-	-	-	-
Florida	8	3	2	3	-	-	8	-	1	6	1	-	-	-	-
Idaho	4	-	-	1	-	3	4	-	-	-	4	-	-	-	-
Kentucky	4	1		1	-	2	4	-	1	-	-	2	1	-	-
Louisiana	16	4	6	5	-	1	17	-	8	6	1	2	-	-	-
Michigan	7	-	2	3	-	2	7	-	1	-	5	1	-	-	-
Mississippi	6	1	3	2	-	-	6	2	1	1	1	1	-	-	-
Oregon	15	-	4	3	-	8	15	-	-	1	12	2	-	-	-
South Carolina	4	1	2	-	-	1	4	-	3	-	1	-	-	-	-
Tennessee	3	-	-	1	-	2	3	-	-	1	1	1	-	-	-
Virginia	2	-	2	-	-	-	2	-	-	1	1	-	-	-	-
Texas	19	-	18	1	-	-	19	-	8	6	2	3	-	-	-
Washington	12	-	6	1	-	5	12	-	-	3	8	-	-	-	-
West Virginia	12	-	3	-	-	9	11	-	-	-	4	1	5	1	-
Wisconsin	4	-	-	1	-	3	4	-	-	1	1	2	-	-	-
All Others	10	1	5	4	-	-	10	-	3	2	1	4	-	-	-
Textile	91	83	8	-	-	-	89	-	8	78	2	1	-	-	-
Georgia	19	15	4	-	-	-	18	-	1	16	1	-	-	-	-
North Carolina	23	19	4	-	-	-	23	-	2	19	1	1	-	-	-
South Carolina	43	43	-	-	-	-	42	-	2	40	-	-	-	-	-
All Others	6	6	-	-	-	-	6	-	3	3	-	-	-	-	-
Miscellaneous															
Industries	13	2	9	2	-	-	13	-	4	4	4	-	1	-	-
All	13	2	9	2	-	-	13	-	4	4	4	-	1	-	-

a/ Compiled from questionnaire of the Bureau of the Census.

YSF:eg
10-[illegible]-34

16224-120

TABLE

AMOUNT OF BAD DEBTS AND EMPLOYEE RELIEF AND TOTAL SALES OF COMPANY STORES, CLASSIFIED BY INDUSTRIES AND STATES, ANNUALLY, 1931-1933, SEMI-ANNUALLY, 1934 a/

Industry and State	1931		1932		1933		1934 (to July 1.)	
	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales
Total	$ 837,251.	$92,209,675.	$ 1,098,577.	$69,496,013.	$ 742,344.	$78,652,712.	$ 392,455.	$49,107,613.
Anthracite Coal	16,512	1,308,758	9,973	1,118,972	10,365	1,137,321	6,108	652,507
Pennsylvania	16,512	1,308,758	9,973	1,118,972	10,365	1,137,321	6,108	652,507
Bituminous Coal	503,086	60,762,939	723,632	45,602,670	465,798	51,067,241	254,472	31,518,066
Alabama	38,492	2,700,840	58,068	1,863,584	52,822	2,314,909	10,335	1,349,880
Colorado	1,686	295,643	1,946	248,359	581	233,283	132	108,908
Illinois	2,095	316,613	747	212,523	2,209	268,690	168	144,292
Kentucky	91,413	7,654,387	91,473	5,842,891	60,784	6,992,496	15,578	3,900,374
New Mexico	2,772	460,732	1,538	362,773	3,864	327,635	---	152,339
Ohio	1,589	507,365	1,173	283,199	2,892	430,307	574	293,737
Pennsylvania	192,287	19,163,340	337,551	14,422,978	145,795	14,847,838	148,470	9,214,130
Tennessee	7,285	910,351	7,133	625,524	6,897	693,158	3,643	435,350
Utah	3,491	616,882	4,522	480,581	2,806	440,461	3,104	160,743
Virginia	12,444	3,588,937	13,024	2,593,657	13,634	2,786,536	6,131	1,878,885
Washington	1,945	691,682	750	618,281	1,202	515,375	115	259,115
West Virginia	136,305	22,550,377	201,452	17,018,326	164,421	20,196,969	64,016	13,014,294
Wyoming	2,143	1,020,804	2,605	815,489	2,142	795,763	1,689	424,172
All Others	3,739	284,486	1,650	214,565	5,749	223,821	517	181,847
Copper	32,437	1,996,009	20,168	1,218,070	10,224	1,236,393	6,647	848,128
All	32,437	1,996,009	20,168	1,218,070	10,224	1,236,393	6,647	848,128
Iron and Steel	45,362	5,925,646	48,428	3,758,863	32,867	4,334,615	25,147	2,723,472
Alabama	16,935	4,749,713	24,564	2,825,165	23,311	3,405,283	21,733	2,233,402
Colorado	26,427	1,175,933	23,864	933,698	9,556	929,332	3,414	490,070
Lumber	138,493	14,029,053	188,460	9,562,429	125,936	10,814,853	49,881	6,693,497
Alabama	1,040	217,956	525	190,675	1,151	190,971	990	118,743
Arkansas	19,107	1,441,928	38,190	778,965	22,696	953,376	4,745	815,987
California	12,409	2,752,006	9,024	2,013,740	10,343	2,075,072	3,244	1,218,895

a/ Compiled from questionnaire by the Bureau of the Census.

(Table continued on next page)

1.224-121

TABLE

AMOUNT OF BAD DEBTS AND EMPLOYEE RELIEF AND TOTAL SALES OF COMPANY STORES, CLASSIFIED BY INDUSTRIES AND STATES, ANNUALLY, 1931-1933, SEMI-ANNUALLY, 1934 a/

Industry and State	1931		1932		1933		1934 (to July 1.)	
	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales	Losses on Bad Accounts and Employee Relief	Total Sales
Total	$ 837,251	$92,909,675	$ 1,098,577	$69,496,013	$742,344	$78,652,712	$ 392,455	$49,107,613
Lumber (cont'd.)								
Florida	3,659	828,572	6,506	451,248	4,854	480,144	4,045	323,282
Idaho	1,341	425,976	4,154	302,493	3,987	301,774	1,229	178,665
Kentucky	119	45,340	65	40,290	124	51,604	—	22,525
Louisiana	12,994	1,684,824	21,761	1,182,353	13,127	1,506,413	4,160	873,187
Michigan	11,373	808,550	8,579	557,207	8,681	555,073	2,007	407,648
Mississippi	10,969	902,384	5,508	628,511	6,685	717,626	2,814	376,470
Oregon	1,488	625,978	1,218	473,722	2,242	530,909	278	299,429
South Carolina	450	132,285	600	135,537	600	144,671	—	79,539
Tennessee	500	59,000	200	18,000	250	20,000	150	25,000
Texas	5,819	883,314	6,275	592,147	7,445	901,543	4,770	532,668
Virginia	3,108	40,834	3,761	12,352	3,184	18,824	100	14,639
Washington	12,710	657,360	12,990	436,282	10,282	534,806	3,908	266,394
West Virginia	33,801	1,480,469	52,550	995,594	23,454	1,011,042	14,905	598,289
Wisconsin	115	137,784	193	113,194	21	111,054	299	64,498
All Others	8,191	904,493	16,361	640,119	6,810	709,951	2,237	477,639
Textile	96,735	6,859,887	101,853	6,315,563	91,845	7,805,010	47,461	5,333,984
Georgia	27,633	2,044,153	30,340	1,842,196	26,810	2,112,883	14,970	1,319,499
North Carolina	13,530	1,094,475	10,395	890,231	11,915	1,199,499	9,363	832,314
South Carolina	39,238	3,262,470	45,418	3,149,403	40,989	3,992,793	22,728	3,001,078
All Others	16,334	458,789	15,700	433,733	12,131	499,835	400	181,093
Miscellaneous Industries	4,626	2,027,383	6,063	1,919,446	5,309	2,257,279	2,739	1,337,959
All	4,626	2,027,383	6,063	1,919,446	5,309	2,257,279	2,739	1,337,959

a/ Compiled from questionnaire by the Bureau of the Census.

YSL:eg
10-26-34

THE NATIONAL RECOVERY ADMINISTRATION
Washington, D. C.
****

SPECIAL REPORT ON COMPANY SCRIP

In accordance with Sections 3a and 6a of the National Industrial Recovery Act, you are requested and required to fill out the following schedule. The information is being requested by the National Recovery Administration in order to obtain an adequate factual basis for recommendations concerning Article IX, Section 4, of the Retail Trade Code, relating to the use of company scrip. A separate report is required for each store.

Answer all the inquiries in detail, supplying estimates if records are not available. The report should be returned promptly, in the enclosed envelope, requiring no postage, to the Bureau of the Census, Washington, D. C. The additional schedule is for retention in your files.

This report will be available only to sworn employees of the Bureau of the Census and the National Recovery Administration. Any summary statistics which may be compiled from this and other similar reports and published will be grouped according to the usual Census rules, so that it will be impossible for any one to identify your figures or separate them out of the aggregate.

Hugh S. Johnson (Signed)

Administrator

THIS IS TO CERTIFY that the information contained in this report is correct and complete to the best of my knowledge and belief.

Date_____

_____
(Signature of person supplying the information)

_____
(Official title)

INQUIRY I — DESCRIPTION OF ESTABLISHMENT

1. Name of Store_____
2. Location: State_____ Town_____ Population_____
3. Name of Parent company_____
4. Kind of store_____
   (General merchandise, grocery, etc.)
5. Type of industry which the company store serves_____
   (coal, steel, etc.)
6. Is store covered by this report owned:
   (a) By the parent company?_____ By a subsidiary of the parent company?_____ By a department of the parent company?_____
   or (b) Privately owned but contract with parent company?_____
7. What is the distance from your store to your nearest competitor?
   _____
   (in miles)

INQUIRY II -- EMPLOYMENT DATA FOR STORE EMPLOYEES

List the hours worked and wages received by each store employee for the week specified.

Name of Employee	Sex	Actual Hours Worked Week of July 9-14, 1934	Actual Wages Received Week of July 9-14, 1934
		(Continue on separate sheet)	

INQUIRY III -- MERCHANDISING POLICY

1. Does store deliver merchandise?_____If so, is there an extra charge?

2. What percentage of annual sales is made on installment or lease plan?

INQUIRY IV -- SALES AND METHODS OF PAYMENTS

1. Annual sales of stores for 1933____Percentage to company employees

   Percentage to others_____

2. What per cent of total sales during 1933 was made for cash?_____
   For scrip?_____On charge account?_____

3. State the number of company workers' open charge accounts on the following dates:
   March 15, 1933_____ September 15, 1933_____
   June 15, 1933_____ December 15, 1933_____

4. Does operating company issue scrip between pay days?_____
   (Yes or No)
   On pay day?_____
   (Yes or No)

5. Does company store issue scrip?_____
   (Yes or No)

6. If scrip is issued, is it in the form of coupons?_____
   (Yes or No)
   Metal token?_____
   (Yes or No)

7. Indicate other forms of credit employed by the store (Explain)_____

8. Does the company store redeem scrip for cash?_____
   (Yes or No)
   If so, what discount is charged?_____%

9. Does anyone else in the community discount scrip for cash?_____
   (Yes or No)

10. What is the maximum number of weeks credit (charge account, scrip, or other forms) allowed an employee of the operating company under collection-over-payroll plan?_____

11. What limitations are there on the amount of merchandise operating company employees may purchase on account? (Explain)_____

12. Does the store advance cash to company employees?_____
    (Yes or No)
    If so, for what purposes?_____

What discount or annual rate of interest is charged to such advances? _____%

13. Does the store have records of earnings of the employees who trade with it? _____ (Yes or No)

14. Is any record of purchase supplied to customers who have assigned their wages? _____ If so, at time or purchase? _____ (Yes or No)

On pay day? _____ (Yes or No) Monthly? _____ (Yes or No)

15. What per cent of your total sales in 1933 did each of the following comprise?

Foodstuffs _____% Men's apparel _____% Women's apparel _____%
Furniture and house furnishings _____% Drugs and sundries _____%
Other _____% (Specify important classes) _____

16. How many independent stores in the community sell the following?

Foodstuffs _____ Men's apparel _____ Women's apparel _____
Furniture and house furnishings _____ Drugs and sundries _____

INQUIRY V — LOSSES ON BAD ACCOUNTS AND EMPLOYMENT RELIEF

1. Please supply the information requested in the following table:

Year	Losses on Bad Accounts in dollars	Amount of Total sales	Amount Written Off as Employee Relief (other than bad accounts)
1931			
1932			
1933			
1934 (to July 1)			

INQUIRY VI — EMPLOYMENT DATA ON PLANT EMPLOYEES

The following questions apply to plant employees of the parent company. If you do not have this information, kindly obtain it from the superintendent or employment department.

1. What is the present length of the pay period? _____ (In weeks)
2. How many days elapse between the last day of the payroll period and plant pay day? _____
3. State the number of employees (excluding executives) on the payroll of the plant served by this store as of the following dates:
   March 15, 1933 _____ September 15, 1933 _____
   June 15, 1933 _____ December 15, 1933 _____
4. State amount of total annual payroll for the year 1933 _____

OFFICE OF THE NATIONAL RECOVERY ADMINISTRATION
THE DIVISION OF REVIEW

THE WORK OF THE DIVISION OF REVIEW

Executive Order No. 7075, dated June 15, 1935, established the Division of Review of the National Recovery Administration. The pertinent part of the Executive Order reads thus:

> The Division of Review shall assemble, analyze, and report upon the statistical information and records of experience of the operations of the various trades and industries heretofore subject to codes of fair competition, shall study the effects of such codes upon trade, industrial and labor conditions in general, and other related matters, shall make available for the protection and promotion of the public interest an adequate review of the effects of the Administration of Title I of the National Industrial Recovery Act, and the principles and policies put into effect thereunder, and shall otherwise aid the President in carrying out his functions under the said Title. I hereby appoint Leon C. Marshall, Director of the Division of Review.

The study sections set up in the Division of Review covered these areas: industry studies, foreign trade studies, labor studies, trade practice studies, statistical studies, legal studies, administration studies, miscellaneous studies, and the writing of code histories. The materials which were produced by these sections are indicated below.

Except for the Code Histories, all items mentioned below are scheduled to be in mimeographed form by April 1, 1936.

THE CODE HISTORIES

The Code Histories are documented accounts of the formation and administration of the codes. They contain the definition of the industry and the principal products thereof; the classes of members in the industry; the history of code formation including an account of the sponsoring organizations, the conferences, negotiations and hearings which were held, and the activities in connection with obtaining approval of the code; the history of the administration of the code, covering the organization and operation of the code authority. the difficulties encountered in administration, the extent of compliance or non-compliance, and the general success or lack of success of the code; and an analysis of the operation of code provisions dealing with wages, hours, trade practices, and other provisions. These and other matters are canvassed not only in terms of the materials to be found in the files, but also in terms of the experiences of the deputies and others concerned with code formation and administration.

The Code Histories, (including histories of certain NRA units or agencies) are not mimeographed. They are to be turned over to the Department of Commerce in typewritten form. All told, approximately eight hundred and fifty (850) histories will be completed. This number includes all of the approved codes and some of the unapproved codes. (In Work Materials No. 18, Contents of Code Histries, will be found the outline which governed the preparation of Code Histories.)

(In the case of all approved codes and also in the case of some codes not carried to final approval, there are in NRA files further materials on industries. Particularly worthy of mention are the Volumes I, II and III which constitute the material officially submitted to the President in support of the recommendation for approval of each code. These volumes

set forth the origination of the code, the sponsoring group, the evidence advanced to support the proposal, the report of the Division of Research and Planning on the industry, the recommendations of the various Advisory Boards, certain types of official correspondence, the transcript of the formal hearing, and other pertinent matter. There is also much official information relating to amendments, interpretations, exemptions, and other rulings. The materials mentioned in this paragraph were of course not a part of the work of the Division of Review.)

THE WORK MATERIALS SERIES

In the work of the Division of Review a considerable number of studies and compilations of data (other than those noted below in the Evidence Studies Series and the Statistical Material Series) have been made. These are listed below, grouped according to the character of the material. (In Work Materials No. 17, Tentative Outlines and Summaries of Studies in Process, these materials are fully described).

Industry Studies

Automobile Industry, An Economic Survey of
Bituminous Coal Industry under Free Competition and Code Regulation, Economic Survey of
Electrical Manufacturing Industry, The
Fertilizer Industry, The
Fishery Industry and the Fishery Codes
Fishermen and Fishing Craft, Earnings of
Foreign Trade under the National Industrial Recovery Act
  Part A - Competitive Position of the United States in International Trade 1927-29 through 1934.
  Part B - Section 3 (e) of NIRA and its administration.
  Part C - Imports and Importing under NRA Codes.
  Part D - Exports and Exporting under NRA Codes.
Forest Products Industries, Foreign Trade Study of the
Iron and Steel Industry, The
Knitting Industries, The
Leather and Shoe Industries, The
Lumber and Timber Products Industry, Economic Problems of the
Men's Clothing Industry, The
Millinery Industry, The
Motion Picture Industry, The
Migration of Industry, The: The Shift of Twenty-Five Needle Trades From New York State, 1926 to 1934
National Labor Income by Months, 1929-35
Paper Industry, The
Production, Prices, Employment and Payrolls in Industry, Agriculture and Railway Transportation, January 1923, to date
Retail Trades Study, The
Rubber Industry Study, The
Textile Industry in the United Kingdom, France, Germany, Italy, and Japan
Textile Yarns and Fabrics
Tobacco Industry, The
Wholesale Trades Study, The
Women's Neckwear and Scarf Industry, Financial and Labor Data on

Women's Apparel Industry, Some Aspects of the

Trade Practice Studies

Commodities, Information Concerning: A Study of NRA and Related Experiences in Control
Distribution, Manufacturers' Control of: Trade Practice Provisions in Selected NRA Codes
Distributive Relations in the Asbestos Industry
Design Piracy: The Problem and Its Treatment Under NRA Codes
Electrical Mfg. Industry: Price Filing Study
Fertilizer Industry: Price Filing Study
Geographical Price Relations Under Codes of Fair Competition, Control of
Minimum Price Regulation Under Codes of Fair Competition
Multiple Basing Point System in the Lime Industry: Operation of the
Price Control in the Coffee Industry
Price Filing Under NRA Codes
Production Control in the Ice Industry
Production Control, Case Studies in
Resale Price Maintenance Legislation in the United States
Retail Price Cutting, Restriction of, with special Emphasis on The Drug Industry.
Trade Practice Rules of The Federal Trade Commission (1914-1936): A classification for comparison with Trade Practice Provisions of NRA Codes.

Labor Studies

Cap and Cloth Hat Industry, Commission Report on Wage Differentials in
Earnings in Selected Manufacturing Industries, by States, 1933-35
Employment, Payrolls, Hours, and Wages in 115 Selected Code Industries 1933-35
Fur Manufacturing, Commission Report on Wages and Hours in
Hours and Wages in American Industry
Labor Program Under the National Industrial Recovery Act, The
Part A. Introduction
Part B. Control of Hours and Reemployment
Part C. Control of Wages
Part D. Control of Other Conditions of Employment
Part E. Section 7(a) of the Recovery Act
Materials in the Field of Industrial Relations
PRA Census of Employment, June, October, 1933
Puerto Rico Needlework, Homeworkers Survey

Administrative Studies

Administrative and Legal Aspects of Stays, Exemptions and Exceptions, Code Amendments, Conditional Orders of Approval
Administrative Interpretations of NRA Codes
Administrative Law and Procedure under the NIRA
Agreements Under Sections 4(a) and 7(b) of the NIRA
Approve Codes in Industry Groups, Classification of
Basic Code, the -- (Administrative Order X-61)
Code Authorities and Their Part in the Administration of the NIRA
Part A. Introduction
Part B. Nature, Composition and Organization of Code Authorities

Part C. Activities of the Code Authorities
Part D. Code Authority Finances
Part E. Summary and Evaluation
Code Compliance Activities of the NRA
Code Making Program of the NRA in the Territories, The
Code Provisions and Related Subjects, Policy Statements Concerning
Content of NIRA Administrative Legislation
Part A. Executive and Administrative Orders
Part B. Labor Provisions in the Codes
Part C. Trade Practice Provisions in the Codes
Part D. Administrative Provisions in the Codes
Part E. Agreements under Sections 4(a) and 7(b)
Part F. A Type Case: The Cotton Textile Code
Labels Under NRA, A Study of
Model Code and Model Provisions for Codes, Development of
National Recovery Administration, The: A Review of its Organization and Activities
NRA Insignia
President's Reemployment Agreement, The
President's Reemployment Agreement, Substitutions in Connection with the
Prison Labor Problem under NRA and the Prison Compact, The
Problems of Administration in the Overlapping of Code Definitions of Industries and Trades, Multiple Code Coverage, Classifying Individual Members of Industries and Trades
Relationship of NRA to Government Contracts and Contracts Involving the Use of Government Funds
Relationship of NRA with States and Municipalities
Sheltered Workshops Under NRA
Uncodified Industries: A Study of Factors Limiting the Code Making Program

Legal Studies

Anti-Trust Laws and Unfair Competition
Collective Bargaining Agreements, the Right of Individual Employees to Enforce
Commerce Clause, Federal Regulation of the Employer-Employee Relationship Under the
Delegation of Power, Certain Phases of the Principle of, with Reference to Federal Industrial Regulatory Legislation
Enforcement, Extra-Judicial Methods of
Federal Regulation through the Joint Employment of the Power of Taxation and the Spending Power
Government Contract Provisions as a Means of Establishing Proper Economic Standards, Legal Memorandum on Possibility of
Industrial Relations in Australia, Regulation of
Intrastate Activities Which so Affect Interstate Commerce as to Bring them Under the Commerce Clause, Cases on
Legislative Possibilities of the State Constitutions
Post Office and Post Road Power -- Can it be Used as a Means of Federal Industrial Regulation?
State Recovery Legislation in Aid of Federal Recovery Legislation History and Analysis
Tariff Rates to Secure Proper Standards of Wages and Hours, the Possibility of Variation in
Trade Practices and the Anti-Trust Laws
Treaty Making Power of the United States
War Power, Can it be Used as a Means of Federal Regulation of Child Labor?

9768--4.

THE EVIDENCE STUDIES SERIES

The Evidence Studies were originally undertaken to gather material for pending court cases. After the Schechter decision the project was continued in order to assemble data for use in connection with the studies of the Division of Review. The data are particularly concerned with the nature, size and operations of the industry; and with the relation of the industry to interstate commerce. The industries covered by the Evidence Studies account for more than one-half of the total number of workers under codes. The list of those studies follows:

Automobile Manufacturing Industry
Automotive Parts and Equipment Industry
Baking Industry
Boot and Shoe Manufacturing Industry
Bottled Soft Drink Industry
Builders' Supplies Industry
Canning Industry
Chemical Manufacturing Industry
Cigar Manufacturing Industry
Coat and Suit Industry
Construction Industry
Cotton Garment Industry
Dress Manufacturing Industry
Electrical Contracting Industry
Electrical Manufacturing Industry
Fabricated Metal Products Mfg. and Metal Finishing and Metal Coating Industry
Fishery Industry
Furniture Manufacturing Industry
General Contractors Industry
Graphic Arts Industry
Gray Iron Foundry Industry
Hosiery Industry
Infant's and Children's Wear Industry
Iron and Steel Industry
Leather Industry
Lumber and Timber Products Industry
Mason Contractors Industry
Men's Clothing Industry
Motion Picture Industry
Motor Vehicle Retailing Trade
Needlework Industry of Puerto Rico
Painting and Paperhanging Industry
Photo Engraving Industry
Plumbing Contracting Industry
Retail Lumber Industry
Retail Trade Industry
Retail Tire and Battery Trade Industry
Rubber Manufacturing Industry
Rubber Tire Manufacturing Industry
Shipbuilding Industry
Silk Textile Industry
Structural Clay Products Industry
Throwing Industry
Trucking Industry
Waste Materials Industry
Wholesale and Retail Food Industry
Wholesale Fresh Fruit and Vegetable Industry
Wool Textile Industry

THE STATISTICAL MATERIALS SERIES

This series is supplementary to the Evidence Studies Series. The reports include data on establishments, firms, employment, Payrolls, wages, hours, production capacities, shipments, sales, consumption, stocks, prices, material costs, failures, exports and imports. They also include notes on the principal qualifications that should be observed in using the data, the technical methods employed, and the applicability of the material to the study of the industries concerned. The following numbers appear in the series:
9768--5.